

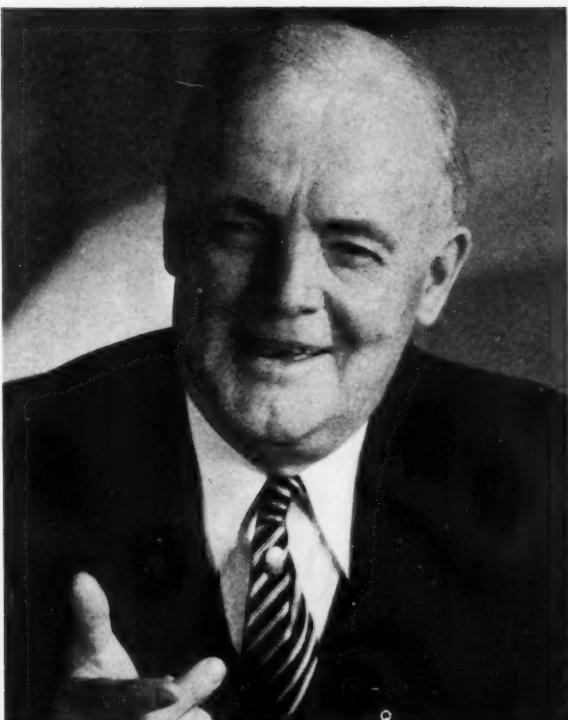
# The NATIONAL UNDERWRITER

## What is the Difference in Companies Anyway?

*(a dialogue)*

"Tell me, Dick, what difference is there in companies anyway? Now really, I don't understand all this enthusiasm about the Millers National. Don't all companies operate about the same way, use standard policies, same rates, write about the same lines, etc.?"

"Tom, there is as much difference in companies as there is in people. No two of them are alike. You



tell me why you feel more friendly toward some folks than you do others—why you like to do business with some men, and you don't with others. There are reasons always.

"Millers National seems to understand that we fellows on the firing line need cooperation, and they see that we get it. They make friends with our customers by paying losses without fuss or delay. Their policies are as good as gold because the company is in excellent shape financially. They pass along ideas to us that are an inspiration to do a better selling job. They look upon us as co-workers, and that's why I like to represent them."

Simply drop us a line on your stationery saying "send the details," and you shall have the whole story for your own information.

1865  1935

**MILLERS NATIONAL  
INSURANCE COMPANY • CHICAGO**

*Seventy Years of Service and Security*

# SURVEY AND ANALYSIS



## NEW BUSINESS

**can be had today through utilizing modern sales strategy, as represented by our Survey and Analysis Plan which has proved a profitable developer of business on both old and new accounts.**

**Our agents are cordially invited to investigate this plan when preparing their Fall and Winter campaigns. Full particulars may be obtained by writing to our Business-Building Department, 150 William Street, New York.**

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## THE COMMONWEALTH INSURANCE COMPANY OF NEW YORK



# The National Underwriter

A WEEKLY NEWSPAPER OF INSURANCE

Thirty-Ninth Year—No. 36

CHICAGO, CINCINNATI, NEW YORK AND SAN FRANCISCO, THURSDAY, SEPTEMBER 5, 1935

\$4.00 Per Year, 20 Cents a Copy

## Chain Store Cover Centering in East

Preponderance of Lines Handled by New York Brokers Specializing in Field

## MANY SELF-INSURE STOCK

American Market Adequate for All Needs and London Lloyds Facilities Rarely Required

NEW YORK, Sept. 4.—As the great majority of large manufacturing and retailing corporations operating country-wide maintains either legal or executive headquarters in this city, it follows that fire insurance covering upon owned or controlled properties is placed by metropolitan brokers. Many lines, some of considerable size, it is true are handled by agents or brokers in other centers, but by far the larger number of important chain risks are placed by brokers here, those specializing in this type of business maintaining engineering staffs and schedule analysis experts.

Despite the size of many chain store lines, individual coverages upon which range from \$50,000 to \$1,000,000, no difficulty is experienced in getting complete protection in the American market. The facilities of London Lloyds rarely are required. Generally speaking, the chain risks are written under Form 5, which calls for use of the 90 or 100 percent coinsurance clause.

### Number of Large Accounts

Notable among chain store lines written by companies here are: Woolworth, W. T. Grant, Charles, J. C. Murphy, Kresge, McCrory, Associated Dry Goods, J. G. Penny, Schulte, Walgreen drug stores, United Cigar, American Tobacco, Douglass, Regal, Endicott-Johnson and other retail shoe companies, and a score or more tobacco and sugar producing corporations.

The Wanamaker account, covering both the Philadelphia and New York stores has been placed by Robert Coyle of Philadelphia for many years. Johnson & Higgins of this city handle the Gimbell line, Benedict & Benedict that of Macy and Abraham Straus. Other very large schedules are those of the American Agricultural Chemical Co., controlled by J. C. Paige, Boston, and the American Radiator.

### Chains Are Self-Insurers

While the Atlantic & Pacific Tea Company carries insurance on its warehouses, each containing large values, it does not insure stock of its several thousand retail stores, a practice followed by the chain grocery stores generally, which figure that the amount at risk in any one location justifies self-insurance.

In addition to the brokerage firms and individuals mentioned above, Marsh

## Montana State Fund to Be Reinsured by the Pearl

### GETS A FLAT RATE OF \$1.40

Commissioner Holmes Objects But Sets \$2.20 Rate to Be Paid By Insured

Commissioner Holmes of Montana announces that he has established a rate of \$2.20 per \$100 of valuation for state property and that of other political subdivisions insured in the recently created state fire insurance fund.

A contract of reinsurance has been effected by the state board of examiners with the Pearl of London through the Miller agency of Butte, whereby the Pearl is to receive \$1.40 per \$100 valuation.

Mr. Holmes has issued a lengthy bulletin, outlining his position, expressing objection to the contract with the Pearl and explaining the necessity of charging the rate of \$2.20. The \$1.40 to be paid the Pearl is a fixed charge and must be paid for each risk assumed by the state fund. There is an additional fixed charge of 4 percent of the gross premium to be transferred to the firemen's disability fund and the fire marshal fund.

### Sees Fund Indebtedness

Mr. Holmes explained that \$148,600 would be received from the various political subdivisions if they were charged at the rate they are now paying. However, the sum of \$234,854 will be paid to the Pearl which would leave a fund debt of \$86,253 plus the indebtedness due to the 4 percent to be transferred to the disability fund, amounting to \$5,944. This would make a gross fund indebtedness of \$92,197.

Furthermore, he points out that next May the state fund will have to assume the \$6,661,391 of state buildings that were previously insured by the Miller agency for 60 cents. If the existing rate were applied to this coverage, it would bring in the amount of \$39,968. However, the fund would have to pay to the Pearl \$93,259 or \$53,291, plus \$399 to be transferred to the fire marshal fund.

The rate of \$2.20, Mr. Holmes states, will pay \$1.40 to the Pearl; \$0.088 to the disability fund and the fire marshal fund; and it will leave \$.712 for the fund. If the total valuation insured by the fund reaches the estimated amount of \$40,000,000 the \$.712 per \$100 deposited in the fund, invested at 2 percent, will, in a ten year period, accumulate a fund of \$1,000,000.

### Situation Is Complicated

If the present rates are to be charged, the contract with the Pearl would have to be amended to read that the Pearl will receive a sum less than that paid by the political subdivisions, regardless of what they pay.

Mr. Holmes pointed out in the first place that the situation is complicated

& McLennan, Pate & Robb and William Schiff of this city control the placing of prominent schedules and experience little difficulty in getting all coverage required.

## Oil Association Withdraws From Interstate Bureau

### OBJECTS TO PEARL AS MEMBER

Office Was Intended to Harmonize Ideas in Oil Insurance Field, Aid in Inter-State Risks

NEW YORK, Sept. 4.—The fact that the Oil Insurance Association has resigned from the Interstate Insurance Service Office of 135 William street became generally known this week.

Members of the Oil association were informed of this action in a recent communication from the president. "As a result of persistent unsatisfactory conditions," that communication stated, "your executive committee has found it necessary to request the general manager to discontinue the subscription toward maintaining the Interstate Insurance Service Office. If you desire detailed reasons for this action, kindly advise."

### Object of the Service Office

The Interstate Insurance Service Office was organized about a year ago, mainly at the instance of the Insurance Executives Association. The purpose was to harmonize the various ideas in the oil insurance field and to reconcile the rules of the various states and jurisdictions in the handling of inter-state risks.

In addition to the Oil association, the other subscribers to the Interstate Insurance Service Office are John G. Simmonds Company, representing a number of companies, including the Pearl; and the Yorkshire, representing in addition to itself, the London & Provincial, Marine & General and the Seaboard Fire & Marine.

### Objects to Nonstandard Group

The Oil association, it is understood, has objected to sitting in with these other groups, which are regarded in the oil insurance field as non-standard. The Oil association has felt that its experience in the business was being made available to these other companies, to the detriment of the Oil association's interest. The resentment was heightened by the fact that the Pearl is one of the companies represented in the Simmonds group.

In addition to the Pearl, the other companies in that group are the Merchants of New York, American Equitable, London, Northern of London, Atlas, Knickerbocker, Lumbermen's, Eureka-Security, Philadelphia National, Albany and Washington Assurance.

by the recent supreme court decision, declaring that standard risk exclusions may not be written into the state contract. Accordingly, the published rates cannot be applied to the risks, since those rates are predicated upon the experience from contracts containing the usual standard risk exclusions. In Montana nine different perils must be insured against, they being fire, lightning, tornado, windstorm, cyclone, hail, explosion, flood and water damage.

The insurance men of Montana have taken a lively interest in the state property coverage issue.

## Sullivan Outlines Supervisors' Duties

President of Commissioners Convention Addresses Canadian Superintendents' Meeting

## FOSTER MAKES REPORT

Dugal of Quebec Finds Need to Solve Problem of Agency Turnover, Other Speakers

WINNIPEG, MAN., Sept. 4.—There must be no faltering by insurance commissioners in carrying out the insurance law provisions which legislatures have set forth for the guidance of insurance companies, Commissioner W. A. Sullivan of Washington, president National Convention of Insurance Commissioners, stated in his address on "The Responsibility and Importance of Insurance Supervision" at the annual meeting of the Association of Superintendents of Insurance of the Provinces of Canada in Winnipeg, Man., this week. It would be sad for the public if commissioners were to adopt a method of interpretation and application of insurance statutes so as to bring about disregard to statutory law, he said. These officials require firmness, understanding, balance and poise.

On the other hand, it would be disastrous if they were to adopt a policy so technical and narrow as to discourage growth and development of the business and put in place of the life and spirit of the statutes a dead and technical construction which might destroy initiative of those engaged in the insurance business.

### Laws, Not Opinions

Commissioners should be careful, he cautioned, not to substitute their respective judgments, not to say arbitrary opinions, for the legal rights of the company under its contract. Yet they should be zealous in guarding the public, which relies largely on the fact that companies are authorized to do business and therefore must have the seal of approval of insurance departments before they can operate. The commissioners must see that the public is fairly dealt with by companies in meeting contractual obligations toward beneficiaries and policyholders.

The commissioners should be concerned not only in fulfilling the immediate duties of their office but with the broader social implications of insurance and its usefulness to the public. They should be interested in further building and strengthening the great reserve of public confidence in the principles of insurance and its honorable administration.

R. Leighton Foster, insurance superintendent of Ontario and secretary of the Superintendents' Association, commented on new provincial legislation for 1935. He noted that the standing committee on valuation of securities com-

(CONTINUED ON LAST PAGE)

## Program for Ohio Agents Convention Is Announced

### FEATURES OF THE GATHERING

Officers Have Planned Very Interesting Schedule of Events for the Coming Conclave

Secretary John A. Lloyd of the Ohio Association of Insurance Agents has announced the program for the annual meeting to be held at the Deshler-Wallack Hotel, Columbus, Sept. 17-18. There will be a meeting of the board of trustees the evening of Sept. 16, prior to the opening of the general convention. President Hugh L. Meek of Columbus has announced a partial list of committee appointments for the convention as follows:

Resolutions: J. S. Hilbert, East Liverpool, chairman; Charles Robinson, Gallopolis; Kenneth Roland, Toledo; H. A. Staley, Canton, and E. S. Davis, Cleveland.

Rules: Robert O'Brien, Columbus, chairman; G. W. Quinby, Wooster, and Carl R. Ike, St. Mary's.

Nominating: J. V. Patterson, Findlay, chairman; Isaac Griffith, Girard; T. M. Lynn, Zanesville; Theo. Safford, Cincinnati.

Credentials: C. H. Cranz, Akron, chairman; Gilbert Harmon, Ashtabula; Frank Murphy Athens.

Entertainment of Convention Speakers: F. P. O'Connor, Lima; J. V. Neff, Bucyrus; H. S. Marsden, Lisbon; W. A. Earls, Cincinnati; C. C. Hooven, Dayton.

The convention program is as follows:

#### Tuesday, Sept. 17

10 a. m.—Simultaneous committee meetings, open to all members.

A. Insurance on cars mortgaged to finance companies—the problem from the agents' viewpoint. What is being done to obtain this business for the local agent? What can be done?

B. The proposed Inland Marine Definition. Should agents favor or oppose its adoption in Ohio?

1:30 p. m.—Convention called to order by Vice-President Francis P. O'Connor of Lima.

1:40 p. m.—Addresses of welcome—Henry L. Worley, mayor of Columbus; I. B. Lentz, president Insurance Society of Columbus.

Response, Guy Nearing, Bowling Green, president, District 6, Ohio Association.

2:10 p. m.—Introduction of the President, Hugh L. Meek, Columbus.

President's Annual Address.

2:30 p. m.—Report of Rules Committee.

Annual Report of Secretary-Treasurer J. A. Lloyd.

Action on proposed constitutional amendment.

3:15 p. m.—Address, Frank T. Priest of Wichita, Kan., member executive committee of the National Association of Insurance Agents.

3:45 p. m.—Report of nominating committee.

6:30 p. m.—Get-together dinner. Address, Major Norman Imrie, humorist, author, lecturer.

#### Wednesday, Sept. 18

8 a. m.—Breakfast for officers of local boards. Conference led by Lawrence U. Jeffries, warden Ohio Insurance department, on questions of departmental rules on licenses, etc.

9:30 a. m.—Convention called to order. Reports of committees.

Address, Robert L. Bowen, Superintendent of Insurance, Ohio.

Conference—Ohio's New Financial Responsibility Law, led by Frank West, Registrar of Motor Vehicles, and his staff of executives enforcing the law.

11 a. m.—Address, Edwin J. Cole, Fall River, Mass., president of the National Association of Insurance Agents.

1 to 2 p. m.—Election of officers.

1:30 p. m.—Conference on the new examination law, led by Raymond Rhoads, Assistant Superintendent of Insurance.

Conference—The HOLC plan, by Fred Reynolds of Cincinnati, special agent for the Stock Company Association.

Address, "The Casualty Situation," F. J. O'Neill, New York City, president, Royal Indemnity.

Report of elections committee.

## Mansfield Company to Mark 40th Anniversary



CHARLES H. KEATING

The 40th anniversary of the Lumbermen's Mutual of Mansfield, O., is to be celebrated at a dinner in the Westbrook Country Club in Mansfield, Sept. 11. There will be a large attendance of insurance executives of other companies as well as officers and employees of the Lumbermen's Mutual. The anniversary coincides with the 80th semi-annual meeting.

The company first occupied a one room office in Mansfield. Today the Lumbermen's is installed in an imposing home office building crowning Lumbermen's Heights. There are 140 employees and the company is represented by 500 agents. Branch offices are maintained in Cleveland, Akron, Columbus and Toledo, O., Pittsburgh, Detroit, Huntington, Charleston and Parkersburg, W. Va., and Lexington, Ky. In 40 years it has paid \$13,000,000 in losses.

Charles H. Keating is the president.

### Booth Back at His Desk

Following nearly six months' confinement to his home as the result of an automobile accident, George W. Booth, chief engineer of the National Board, returned to his desk Tuesday.

**Maud Stobrough** has bought the interest of W. W. Underwood in the Todd & Underwood agency, Brownsville, Tex.

## THE WEEK IN INSURANCE

**Oil Insurance Association** withdraws from the Interstate Insurance Service Office, largely because the Pearl was also represented in that bureau.

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A flat rate of \$2.20 is established for insurance in the new **Montana state fund**, the Pearl of London to get \$1.40 under a 100 percent reinsurance contract.

Page 1

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Annual meeting of **Canadian Insurance Superintendents** is held in Winnipeg.

Page 1

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**Alfred M. Best Company** files a \$200,000 libel suit against the "Insurance Index" of Chicago and Publisher J. E. Dunne.

Page 3

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Grand nest convention of the **Blue Goose** in Atlantic City was one of the most enjoyable in many years.

Page 3

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Program for the annual meeting of the **New Jersey Association of Underwriters** is announced.

Page 2

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Program for the annual meeting of the **Ohio Association of Insurance Agents** is announced.

Page 2

## New Jersey Program for Agents' Annual Convention

### INTERESTING EVENTS ON LIST

Organization Will Pay Honor to Leon A. Watson, Official Rater of the State

The program for the annual meeting of the New Jersey Association of Underwriters, the local agents' organization, to be held Sept. 12-13 at the Hotel Pennsylvania, New York City, is announced by C. Stanley Stults of Hightstown, president. The meeting will start the afternoon of Sept. 12, with the address of welcome by President Stults. There will be reports of the county vice-presidents and the national councilor, Frederick Hickman of Atlantic City. H. A. Faunce of Atlantic City will lead a discussion on local boards. There will be an informal dinner in the evening.

#### Second Day's Proceedings

On Sept. 13, President Stults will give his report as will A. V. Livingston of Englewood, secretary and treasurer. E. M. Schmults of Ridgewood, chairman of the executive committee, will report. Other reports will be given by Charles E. Meek, Jr., chairman membership committee; Harry L. Godshall, legislative committee; W. P. O'Brien, publicity. Fred A. Teter will give a discussion on appraisals and their relation to fire insurance premiums. Joseph A. Reid of the New York Underwriters will give an address on recapture of insurance on financed automobiles. George McG. Goodridge, regional supervisor of the Stock Company Association, will give a discussion of insurance on HOLC mortgages. The election of officers and executive committee will follow.

In the evening there will be a testimonial dinner to Leon A. Watson of the New Jersey Rating Bureau, the speakers to be President E. J. Cole of the National Association of Insurance Agents; Paul L. Haid, president Insurance Executives Association; Governor H. G. Hoffman of New Jersey and Carl K. Withers, New Jersey insurance commissioner.

President Robert C. Hosmer of the Excelsior will give a luncheon the second day as will some of the other company officials.

**E. J. Dickey**, vice president of the Agricultural, is in Atlanta the guest of his brother, James L. Dickey. Mr. Dickey will visit several of his Georgia agents before returning.

**Charles Smrha** is appointed insurance director of Nebraska to fill vacancy caused by removal of Conn W. Moose.

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Texas increases maximum fire rate credits for cities from 15 to 25 percent.

Page 4

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Program is announced for the annual meeting of the **National Association of Mutual Insurance Agents** at Philadelphia.

Page 4

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**Washington Insurance department** called off a hearing charging 25 companies with violations in writing a big line.

Page 21

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Average increase of 3½ percent in compulsory automobile liability rates in Massachusetts indicated by Commissioner De Celles.

Page 23

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**International Association of Insurance Counsel** holds annual meeting at White Sulphur Springs.

Page 23

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Program is announced for the annual meeting of the **International Claim Association** at White Sulphur Springs next week.

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\* \* \*

Sept. 30 is set as deadline for the submission of new bids for the purchase of the new **National Surety**.

Page 30

## Charles Smrha Chosen to Head Nebraska Department

### TO SUCCEED CONN W. MOOSE

New Appointee Has Been State Manager of HOLC and Has Had No Previous Insurance Experience

LINCOLN, NEB., Sept. 4.—Governor Cochran has announced the appointment of Charles Smrha of Milligan as director of insurance for Nebraska. John S. Logan, who has been serving in this position following the governor's removal of Conn W. Moose, will remain as attorney for the department.

Mr. Moose was removed as insurance director a month ago for alleged inattention to business and for lobbying activities contrary to orders. He contended that his removal was illegal but has not yet filed suit to test the validity of the governor's action. He denied all the charges and alleged his investigation of insurance companies resulted in stepping on the toes of some friends of the state administration, who threatened to "frame" him. This was also denied by the governor.

Mr. Smrha, who takes charge of the department immediately, has resigned as state manager of the HOLC, where he has been for the last year. Before that he was engaged in the banking business at Milligan and was a Democratic member of the state senate in 1923 and 1927. He has never had any insurance experience. In making the appointment Governor Cochran said: "I feel Mr. Smrha's administration will be better than could be obtained under the administration of a man recommended by the insurance companies. The insurance companies are the ones we are trying to govern. They should not dictate the administration of the office."

## Insurance Loss in Florida Hurricane Believed Small

NEW YORK, Sept. 4.—No messages from Florida agents as to the probable amount of insurance involved in Monday's hurricane have yet been received at any of the company offices. As property values in the major part of the stricken area are small, executives are not excited as to their possible commitments.

Most of the companies have the entire hurricane area, both on the Atlantic and Gulf coasts, divided into zones, limiting their aggregate acceptance of tornado business in each. As a rule windstorm coverage in Florida is only written in connection with the fire risk, though some companies will accept separate liability.

The memorable hurricane that struck Miami in 1926, followed two years later by that at Palm Beach, cost the fire companies several million dollars, and resulted in underwriting policies throughout the entire southeastern section being drastically overhauled. As a rule the hurricane season does not start before the middle of September, continuing for a month or six weeks.

### Roy Lill Opens Own Offices

Roy Lill, who for over four years has been associated with the Thomas T. North Adjustment Company in Chicago, has resigned and established himself as an independent adjuster, servicing all lines of losses for the companies. Mr. Lill will have his offices with the Cook County Loss Adjustment Bureau, A-1135 Insurance Exchange. After serving in the world war, in 1920 he entered in the claim department of the Travelers' Chicago office and after three years went with the claim department of the Zurich there. Mr. Lill has made a reputation especially in liability and compensation claim work.

## Libel Suit Filed by A. M. Best Co.

Seek \$200,000 Damage from "Insurance Index" and J. E. Dunne

### BASIS OF ACTION GIVEN

Some of the Sidelights on the Fight  
Going on Over Rating Insurance  
Companies

Added fuel to the fiercely burning subject of insurance company ratings was heaped on the fire when an action for libel, in which damages of \$200,000 are sought, was filed in the superior court at Chicago by the Alfred M. Best Company against the Index Publishing Company, James E. Dunne, head of that concern, his son, C. D. Dunne, and Eber S. Lusk, formerly managing editor of the "Insurance Index."

A few weeks ago A. M. Best Co. brought an action in the federal court at Chicago, charging the Dunnes and the "Index" with infringement of copyright in the publication of Dunne's "International Insurance Report." Subsequently attorneys for Best in this suit filed a bill of particulars, covering several hundred pages and signed a stipulation giving the defendants until Sept. 18 to answer.

Although the "Index" and the Dunnes have been paying their respects to the A. M. Best organization for about three years in the monthly magazine, "Insurance Index," the cartoon and article in the October 1934 edition of the "Insurance Index," form the basis for the allegations in the libel suit. That edition attracted more than usual attention, because it was distributed to those attending the annual meeting of the American Life Convention in October last year.

#### Cartoon Was Striking

The cartoon was striking and caused much comment at the time. It apparently was the culmination of increasingly savage attacks that the "Index" had been making on Mr. Best and some of his associates. The Best organization had taken no cognizance of this verbal assault and this perhaps emboldened the "Index" folks to open the throttle still further. The "Index" containing the cartoon was circulated freely among those attending the American Life Convention. Mr. Best, his home office attorney and others of his entourage were at the hotel. When no action was filed, Publisher Dunne in his April edition took another hot shot at Mr. Best and challenged him to bring a libel suit.

The Best Co. attorney did issue a warning to companies and agents that any circulation of the alleged defamatory literature coming from the "Index" factory would be used as a basis for damage suits. In the conference with the special committee of the American Life Convention, Mr. Best accused some of the members of aiding and abetting Publisher Dunne in his blasts at the Best stronghold. Not until the copyright damage suit was filed early in July, however, was there any material evidence that the Best Co. intended to shell the Dunne ramparts.

Shortly after the insurance commissioners' special train left Chicago for Seattle a porter handed to every one aboard an improvised sheet gotten up for the special occasion "True Underworld Tales," a sensational, lurid publication with the cover in red. The piece de

(CONTINUED ON PAGE 10)

### September Conventions Will Make a Busy Month

The first week in September opens with the Convention of the Canadian provincial insurance superintendents at Winnipeg. August was a busy month, especially with the state associations of insurance agents. On Sept. 9, the International Claim Association will hold its annual meeting at White Sulphur Springs. It will be presided over by William I. Morrow of the Aetna Life at Hartford.

The Pennsylvania Association of Insurance Agents will hold its annual meeting at Pocono Manor, Sept. 11-13, with J. W. Henry, casualty manager of the Aetna Life in Pittsburgh, as president.

#### New Jersey Agents Meeting

The New Jersey local agents will hold their annual meeting in New York City, Sept. 13, thus going out of the state but the organization is honoring Manager Leon A. Watson of the Schedule Rating Office of New Jersey, the official rating body. He is an officer of the New Jersey Society of Insurance and is manager of the Newark Fire Insurance Society. C. S. Stults of Hightstown is president of the New Jersey body.

The National Safety Congress will hold its annual meeting at Louisville, Sept. 14-18.

The Insurance Advertising Conference will have its annual meeting at Rye, N. Y., Sept. 16-18.

The National Association of Life Underwriters will have its annual meeting at Des Moines, Sept. 16-20.

#### Ohio Agents Convention

The Ohio agents meet at Columbus, Sept. 17-18 with Hugh L. Meek of Columbus as president.

The National Association of Mutual Insurance Agents will meet at Philadelphia, Sept. 18-19.

The Western Underwriters Association will hold its semi-annual meeting at Hershey, Pa., Sept. 17-18.

The National Association of Insurance Agents will meet at Rochester, Sept. 22-27.

The Michigan local agents will have the last convention of the month, Sept. 30-Oct. 1 at Petoskey with J. Albert Grow of Detroit as president.

A booklet on yacht insurance has recently been compiled by R. W. Faulkner of the Navigators & General of London for the benefit of brokers. It contains full explanations of various institute clauses and yacht forms, together with a great deal of general information.

## Harmony, Fellowship, Fine Time at Blue Goose Meet

By GEORGE A. WATSON

From the informal open house of the Carolinas pond the first afternoon through to the grand ball the final evening, the well arranged program for the Blue Goose convention at Atlantic City both in its business and entertainment features, moved along without a hitch, marred but slightly by rain two days. Delegates who have attended prior meetings declared the gathering to have been one of the most enjoyable in history. Good fellowship reigned throughout. No controversial issues arose. Such questions as developed in the business sessions were to seek enlightenment, and were not critical.

#### Mehorter Is Praised

Most Loyal Grand Gander S. A. Mehorter of New York proved an admirable presiding officer, holding discussion within reasonable limits without cutting off important considerations. Grand Wielder C. P. Helliwell of Milwaukee furnished each delegate with a comparative financial statement of the Order for the fiscal years ended June 30, 1934 and 1935, and amplified by reading detailed figures prepared by auditors.

One of the interesting actions of the convention was a resolution expressing gratitude to the management of the Home for permitting its men to devote much of their time to the Blue Goose work. Mr. Mehorter is connected with the company at its head office. His predecessor as most loyal grand gander, L. H. Bridges of Chicago is a Home man and Mr. Helliwell is general agent for the New Brunswick of the Home group in Milwaukee. President Wilfred Kurth of the Home attended the Atlantic City convention and presided at the banquet.

#### Shepherd Boosts Group Cover

Preceding the presentation of the report of the life insurance committee J. K. Shepherd of Little Rock read by request a paper setting forth the advantages of the group life plan of the order. Copies are to be printed and supplied to each pond.

While in accord with the recommendation of the life insurance committee that "not to exceed 40 percent of the profit accruing from the life insurance activities be set aside to create a fund from which to advance premiums of in-

digent members," considerable interest was expressed as to how such concession would be governed. It was finally agreed to entrust the matter to the insurance committee, which can be counted upon to exercise diligence and to operate so as not to embarrass relief applicants.

The need for securing additional applications for life insurance, notably from the younger field men, was stressed.

The report of the jurisprudence committee proved to be lengthy. The most frequent question raised, according to the committee, is the admissibility of field men of casualty companies. The committee ruled in all such cases that the constitution clearly set forth the qualifications for pond membership, and cautioned against any departure. The statement was made that one of the west coast ponds had admitted a casualty field man, obviously in violation of regulations. Lawyers, it was agreed, are eligible providing they are retained by insurance companies, and do not represent plaintiffs.

#### Urge Use of Regalia

The ritual committee, F. S. Seley, San Francisco, chairman, had no changes to suggest, but urged that the regalia be used on all proper occasions.

As chairman of the employment committee, C. M. Cartwright, Chicago, recommended the establishment by each pond of an employment committee as an aid to the grand nest committee in investigating the records of applicants for employment.

The desirability of preparing a complete history of the Blue Goose from its inception, was generally recognized, the grand wielder promising to ask the pond wielders to furnish the data.

As individual pond reports are to be published in the annual proceedings, their reading at the session was dispensed with. This was a relief, as in the past this feature has been lengthy and somewhat tiresome.

The memorial service, conducted by B. T. Duffey of Cleveland, was impressive, all delegates standing silently while the names of the 96 who died during the year were read.

As was confidently anticipated former

(CONTINUED ON PAGE 6)

## NEW BLUE GOOSE GRAND NEST LINEUP



T. RAY PHILLIPS, Oklahoma City  
New Most Loyal Grand Gander



R. W. HUKILL, Norwood, O.  
Grand Guardian



J. R. KNOWLAN, Philadelphia  
Grand Keeper

## Maximum Fire Rate Credit Extended to 25% in Texas

### RECOGNIZE GOOD RECORDS

**Mauk Says Order Is Attempt for More Equitable Rating—Adopt Five Year Basis**

AUSTIN, TEX., Sept. 4.—An order extending the maximum fire record credit which a city or town of Texas may enjoy from 15 to 25 percent has been issued by Fire Commissioner Raymond S. Mauk of Texas.

For some time there has been a feeling in some of the cities and towns, particularly in southern Texas where loss records have been unusually favorable, that they were not receiving a commensurate credit and by the same reasoning, the cities and towns with less favorable records were not paying their share of the burden in insurance premiums, said Commissioner Mauk.

"The board," said Mr. Mauk, "has recognized this apparent injustice for several years, but it was faced with the fact that it must make rates for the state as a whole, and moreover that too much credit could not be given or too large penalties assessed to individual cities or towns without violating one of the fundamental principles of fire insurance and rate making, that is, rates should be based upon large areas producing sufficient premium volume for a true average to be obtained, and large enough to prevent one or two large fires from causing too great an increase in the rate."

#### More Equitable Distribution

In an effort, however, to more equitably distribute the responsibility of premium paying in proportion to the losses sustained the board held a hearing on the method of computing fire records, and the order resulted. Beginning March 1, 1936, fire records are to be promulgated based upon the preceding four calendar years' record, and beginning March 1, 1937, and annually thereafter, fire records shall be promulgated based upon the preceding five calendar years' record.

The board does not feel justified in increasing the maximum penalty for fear of placing too great a penalty for catastrophe losses. It does feel justified in starting the penalties at 58 rather than 65 percent. Fire records are limited to cities and towns that produce an average annual premium volume of at least \$1,500 on the theory that any amount less than that is too small to warrant any form of merit rating. The extended credits of 20 percent and 25 percent are limited to those cities and towns that produce an average annual premium volume of \$20,000 on the theory that any less premium volume than that would not warrant a greater credit than 15 percent.

#### Credit Penalties More Stable

The practical effect of the new schedule, it is held, will be that fire record credits and penalties will become more stable and less susceptible to great change from one year to another. There will be a general reduction in premiums next year, cities such as San Antonio with a 20 year loss ratio of approximately 20 percent; Victoria, Brownsville and New Braunfels with loss ratios from 5 to 20 percent over a long period of years receiving the new 25 percent credit instead of 15 percent.

While some of the other cities, Dallas, Fort Worth and Waco for example, whose loss ratio over a period of years has been several times that of the cities just named probably will receive about the same credit as they are now receiving.

"Those cities, however," Mauk said, "can look forward to a larger credit in future years. While some citizens may be disappointed in having to retain 1932, which was a relative high loss year, for

## Semi-Annual Figures Reported

(From Georgia Insurance Department Records)

	STOCK FIRE			6 Mos.	6 Mos.
	Capital	Assets	Surplus	Income	Disburs.
Albany	1,000,000	2,295,649	712,982	309,388	249,506
American Druggist	750,000	2,191,960	1,167,638	249,500	279,217
American Equitable	1,000,000	8,243,252	2,914,084	2,049,418	2,261,056
Atlas Assurance	...	6,257,905	2,549,171	1,509,377	1,482,024
Birmingham, Pa.	300,000	958,097	547,750	51,372	33,403
Boston	5,000,000	22,204,896	12,147,249	3,023,012	2,674,146
British America	200,000	2,355,557	1,262,994	393,416	396,970
California	1,000,000	5,393,085	2,607,894	840,545	807,035
Camden	2,000,000	11,584,921	3,903,246	2,939,488	2,682,265
Citizens, N. J.	1,000,000	2,832,012	1,357,223	213,718	216,000
Columbia, N. J.	1,000,000	3,484,484	1,505,212	436,011	400,879
Com'l Union, N. Y.	1,000,000	3,077,347	1,013,260	582,619	503,020
Com'l Union, Eng.	12,424,052	6,098,601	3,352,501	3,102,604	
Continental	4,873,989	77,095,263	44,690,189	11,776,550	10,591,830
East & West	1,000,000	2,968,416	1,362,660	279,024	158,869
Export	400,000	877,688	414,531	95,809	35,549
Federal	2,000,000	17,251,851	11,293,071	2,114,966	1,884,837
Fireman's Fund	7,500,000	35,264,056	12,545,168	8,275,781	7,357,384
Franklin	3,000,000	18,861,498	7,383,110	3,270,591	3,363,084
General Exchange	1,000,000	26,815,760	12,423,231	10,271,888	6,941,277
Georgia Home	500,000	2,145,134	888,736	271,001	227,477
Globe & Republic	1,000,000	5,118,941	1,291,661	1,322,339	1,376,956
Glens Falls	2,500,000	15,802,860	5,653,826	3,495,437	3,381,154
Hanover	4,000,000	15,092,621	5,420,109	2,771,981	2,757,570
Home Fire & Marine	1,000,000	5,705,023	2,266,571	1,236,452	1,116,162
North America	12,000,000	91,997,585	49,709,099	12,801,089	11,828,693
London & Scottish	200,000	1,568,363	942,297	215,443	334,821
London Assurance	400,000	7,420,689	3,064,581	2,148,594	2,304,792
Manhattan F. & M.	1,000,000	2,854,265	1,084,794	420,086	326,785
Marine	200,000	4,730,683	3,084,723	977,518	1,036,071
Mercantile	1,000,000	6,401,333	2,919,966	1,206,998	1,197,686
Merchants Fire, N. Y.	1,750,000	13,358,886	6,866,916	2,297,784	2,007,703
National Liberty	4,000,000	16,798,617	5,565,810	3,140,648	2,997,504
New England	400,000	1,255,833	473,183	198,657	182,764
New York Under	2,000,000	7,766,910	4,360,724	692,821	515,436
North River	2,000,000	19,205,634	10,347,187	3,221,279	3,169,879
Northern Assur.	400,000	7,668,106	2,818,835	2,091,363	2,486,752
Northern, N. Y.	1,000,000	9,485,134	3,822,675	2,507,082	2,160,994
Northwestern F. & M.	1,000,000	2,823,466	819,586	367,885	321,203
Norwich Union	400,000	5,876,410	2,076,688	1,460,603	1,427,109
Occidental	1,000,000	4,156,603	2,227,507	502,728	442,524
Old Colony	1,000,000	8,969,467	5,900,525	1,016,817	719,570
Palatine	1,000,000	3,227,684	1,598,461	304,490	560,615
Phoenix, Eng.	400,000	8,046,418	3,631,109	1,806,246	1,524,017
Richmond	1,000,000	3,907,651	1,644,446	483,334	587,811
Royal Exchange	400,000	4,561,436	2,086,763	1,236,684	1,193,269
Scottish U. & N.	1,500,000	8,649,014	4,519,956	1,681,423	1,456,723
Security, Conn.	2,000,000	10,030,241	3,367,104	2,188,993	2,072,236
Southern Fire, N. C.	200,000	1,365,634	765,288	229,014	198,480
Southern Fire, N. Y.	1,000,000	5,150,343	1,217,470	519,337	391,904
Southern Home	100,000	249,124	33,129	163,328	1,453,482
Springfield F. & M.	5,000,000	27,408,250	9,514,307	6,248,634	5,775,761
Standard, N. Y.	1,500,000	5,837,828	2,625,122	966,153	816,528
Tokio M. & F.	500,000	12,589,621	9,692,629	1,384,547	1,563,068
Travelers	2,000,000	19,669,976	3,416,301	5,696,416	4,694,199
Twin City	500,000	1,584,980	702,197	165,723	132,406
Union, Eng.	250,000	2,688,287	1,102,820	552,319	550,602
Union of Paris	200,000	1,409,413	718,019	261,806	287,670
United States Fire	2,000,000	26,604,820	13,183,528	5,041,431	4,751,866
Westchester	1,000,000	15,775,724	7,310,263	3,348,093	3,453,891
Zurich	200,000	1,011,715	549,064	213,792	157,702
	MUTUAL			6 Mos.	6 Mos.
Allied Amer. Mut.	695,050	341,421	133,266	102,875	
Atlantic Mut., Ga.	818,291	337,193	351,456	317,353	
Fitchburg Mut., Mass.	635,944	168,791	378,466	338,872	
Mardware Mut., Minn.	6,588,359	2,783,685	2,727,647	2,057,336	
Indiana Lumber	2,701,535	1,568,884	831,137	624,123	
Lumbermen's Mut., O.	2,404,765	901,437	1,100,134	937,898	
Lumber Mut., Mass.	3,308,958	2,269,685	793,046	626,080	
Merrimack Mut.	1,213,451	312,697	421,782	405,365	
Natl. Retailers Mut., Ill.	1,645,699	595,249	708,999	547,463	
Northwest Mut., Wash.	5,740,437	1,629,653	2,791,377	2,132,396	
Penna. Lumber	3,142,525	1,812,870	980,863	791,519	
United Mutual, Mass.	4,390,418	1,855,781	1,579,384	1,241,307	
Universal Under., Mo.	404,984	216,398	180,732	157,819	

two more years the following three years which are extremely favorable will be retained three, four and five years respectively irrespective of how high the losses may run during three years."

#### Windstorm Policies Changed

The Texas board has also approved the attachment of insurance clauses on dwelling windstorm policies. There has been no change in the dwelling windstorm rate except that credits have been provided where insurance is carried in excess of 50 percent of the dwelling value.

The board has approved new use and occupancy forms and rating schedules. The new forms were designed to clarify past ambiguities and to permit the writing of use and occupancy on a specified time of suspension basis. It is generally conceded that the new forms are a decided improvement over the old ones, both from the standpoint of the public and that of the carriers, according to Mr. Mauk.

#### Runtz Takes London Post

J. C. M. Runtz has resigned as head of the reinsurance department of Chubb & Son in New York to go to London as head of the American reinsurance department of E. R. Wood & Co., London Lloyds brokers.

Fred Ruddy, Chico, Cal., adjuster, has opened a branch in Klamath Falls, Ore.

## Insurance Probe Threat in Connecticut Is Abandoned

HARTFORD, Sept. 4.—Last week an insurance probe threatened in Connecticut. Now it apparently has been abandoned, though reverberations are still to be heard in Hartford. Governor Cross had announced his intention of investigating the activities of J. J. Kennedy, Hartford agent, through whom Comptroller Swartz has been placing state insurance.

When the governor returned after a vacation, he was informed that Comptroller Swartz has appointed Kennedy to act as a clearing house, and that the latter had ordered the business manager of the state highway department to cancel policies written by 20 or 30 agents. Mr. Kennedy, himself, was said to have contracted for bonds for some 30 deputy sheriffs.

#### Demanded by Local Agents

The investigation was demanded by local agents, disgruntled at having lost business through short-term cancellations. Mr. Swartz replied that when he took office he found that from 75 to 85 percent was placed with Hartford agents, and that he had changed that until only about 25 percent remained. The purpose of the change, he said, was to save money for the state, but admitted that the redistribution of contracts

## Program for Convention of Mutual Agents Announced

### COMPANY OFFICERS TO SPEAK

Varied List of Events Is Scheduled for the Annual Meeting in Philadelphia

At the annual meeting of the National Association of Mutual Insurance Agents at the Ben Franklin Hotel in Philadelphia, Sept. 18-20, the address of welcome will be delivered by Assistant Secretary J. H. R. Timanus, of the Philadelphia Contribution, the oldest company in the country, organized in 1752 by Benjamin Franklin and others.

#### Features of the Program

J. J. Fitzgerald, secretary of the Grain Dealers National Mutual of Indianapolis, will give an address to be followed by discussions on prospecting, service to policyholders, organized sales talks, etc.

H. J. Pelstrong of the Pennsylvania Lumbermen's Mutual will give a paper on "Selling the Banks and Building and Loan Associations Mutual Insurance." He will speak from the company side while Chester Jennings of Baltimore will view the question from the agent's standpoint.

J. T. Haviland, vice-president Lumbermen's Mutual Casualty will discuss various methods used by his organization in production lines. A. V. Gruhn, secretary American Mutual Alliance, will discuss the limitation of liability on non-assessable policies.

H. H. Kilkison, secretary Pennsylvania Association of Mutual Insurance Companies, who is also an agent, will talk from the standpoint of a small town office.

S. F. Coffin of the Lumbermen's Mutual of Mansfield, O., who has made a study of underwriting and underwriting methods both from the company and agent's standpoint, will speak on underwriting practices.

R. J. Dunn, second vice-president Lumbermen's Mutual Casualty, will speak on the adjustment of automobile claims. Ralph Statler, chief claim officer Central Manufacturers Mutual, will discuss fire losses.

R. J. Chalmers, Pennsylvania Lumbermen's Mutual Fire, and Carl Trapp, Western Millers Mutual, will take up questions of coverage. Emmett V. Thompson, of St. Louis, president of the organization, will preside at the various sessions.

continues to be based, as always, on political patronage considerations.

Governor Cross dropped the investigation after he had found, he said, to his satisfaction, that Mr. Kennedy is employed by Comptroller Swartz, who "has a right to do as he pleases."

Mr. Swartz named five agencies which he said have been getting almost all of the state's insurance: F. H. Williams, J. J. Gaffey, A. E. Woodford and R. C. Knox, all of Hartford, and Hubbard & Morton of Westport.

#### Ohio District Meeting

The Ohio Association of Insurance Agents held a meeting in the Toledo district, it being district No. 6. Guy Nearing of Bowling Green was elected district chairman and Miss Mary Bogart of Tiffin was reelected secretary.

#### Phoenix Veteran Honored

HARTFORD, Sept. 4.—John P. Darby, for 54 years an employee of the Phoenix Fire, and for the past 15 years cashier, was guest of honor at a dinner given by 50 associates. Mr. Darby retired Saturday.

He entered the employ of the company at the age of 15 in the Cincinnati office, and was made cashier of that office in 1904. In 1913 he came to Hartford as assistant cashier, and was made cashier in 1920. Mr. Darby expects to return to Cincinnati, where several members of his family are living.



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BERNARD M. CULVER, President

New York, N.Y.

ATLANTA

DALLAS

MONTRÉAL

## AS SEEN FROM CHICAGO

### INSURANCE INSTITUTE LUNCHEON

W. J. Graham, vice-president of the Equitable Life of New York and president of the Insurance Institute of America, and E. R. Hardy of New York City, secretary of the institute and its manager, will be in Chicago next Monday to talk before a group of insurance people about the work of the institute and its educational course. They will be guests of the institute. C. M. Cartwright of THE NATIONAL UNDERWRITER will preside at the luncheon to be held at the Union League Club. The educational committee consists of A. T. Graham, Benj. Richards, manager of the Underwriters Service Association, and J. A. Neale, chief engineer of the Chicago Board of Underwriters. The officers of the institute desire to stimulate more interest in the educational work in Chicago. It has been lagging in that city, although in many other centers there have been a comparatively large number taking the course.

\* \* \*

### PRESIDENTIAL GALLERY

The office of the Illinois Insurance Federation and the Illinois Association of Insurance Agents in the Insurance Exchange, Chicago, now contains a photograph of all the presidents of both organizations since they were started, they were assembled, framed and hung on the wall by Mrs. Lillian L. Herring, secretary and treasurer of the Federation, and assistant secretary of the agency organization. The first president of the Illinois Insurance Federation was R. W. Troxell of Springfield, who took office in 1918. Later he became president of the Illinois Association of Insurance Agents. The present Federation president is W. O. Schilling of Chicago, manager United States Fidelity & Guaranty. R. W. Hosmer of Chicago was the first president of the Illinois Association of Insurance Agents, taking office in 1899. One of the more recent presidents is his nephew, Rockwood Hosmer, who with his brother, Philip B. Hosmer, conducts the R. W. Hosmer & Co. agency. S. D. Sexton of East St. Louis, one of the

Illinois presidents, who is still in the business, was present in 1896 when the group met in Chicago to organize the National Association of Insurance Agents. S. E. Moisant, who has been the secretary for many years, served as president for a couple of years. The presidents of the Illinois Association were: R. W. Hosmer, Chicago; C. P. Whitney, Critchell, Miller, Whitney & Barbour, Chicago; R. F. Strever, Peru; S. D. Sexton, East St. Louis; Abram Spitzer, Mattoon; J. H. Wood, Bloomington; H. F. Arnold, Galesburg; Charles F. Hildreth, Freeport; S. E. Moisant, Kankakee; N. W. Tomblin, Aurora; E. R. Partlow, Danville; George North Taylor, Streator; W. A. Bartlett, Galesburg; J. A. Gibson, Alton; A. J. Anderson, Keokuk; R. G. Sherman, Waukegan; J. M. Newberger, Chicago; R. W. Troxell, Springfield; Rockwood Hosmer, Chicago, and the present president, Alvin S. Keys, Springfield. One of the Illinois presidents, Mr. Hildreth, was also president of the National Association of Insurance Agents.

\* \* \*

### REUTTER WITH W. A. ALEXANDER

Carl J. Reutter has resigned as field representative for the Lansing B. Warner reciprocal organization of Chicago to join the W. A. Alexander agency of Chicago in the fire insurance department under Manager W. M. Sheldon. He graduated from Armour Institute of Technology and then served four years in the engineering department of the Western Factory. He was connected with the Warner organization, first in the home office and then in the field, with headquarters in Cleveland, being responsible for the northern portion of Ohio and western Pennsylvania.

\* \* \*

### LAY PLANS FOR THE SEASON

Plans for the coming months are to be discussed at a special conference of officers and members of the entertainment committee of the Illinois Blue Goose at a luncheon in Chicago Monday.

### Harmony, Fellowship, Good Time at Blue Goose Meet

(CONTINUED FROM PAGE 3)

officers of the grand nest except Mr. Helliwell, moved up a peg, following the retirement of Mr. Meharter, while an accession to the ranks was J. R. Knowlan of the Penn Pond, Philadelphia, who was chosen grand keeper.

Oklahoma City will be the place of meeting for the 1936 convention, it being the home town of Most Loyal Grand Gander T. Ray Phillips, who travels the territory for the America Fore fleet. To all who attend Mr. Phil-

lips promised a cordial welcome and a royal good time in which assurance he was supported by telegrams from the mayor of Oklahoma City, its chamber of commerce, etc.

H. B. Leuty, Atlas, Vancouver, is grand supervisor; J. Clark Buchanan, Automobile Club of Southern California, Los Angeles, grand custodian; Ralph W. Hukill, Fireman's Fund, Norwood, O., grand keeper.

Anticipating that the 1938 meeting will be held in Los Angeles, delegates from San Francisco urged that a visit en route be made to their city.

### OHIO POND NUMBERS 362

CINCINNATI, Sept. 4.—The Ohio Blue Goose which was awarded the cup for the greatest increase in membership for the year at the grand nest meeting at Atlantic City, now has 362 members, a 27 percent increase. The membership committee consisted of Paul Bowers, chairman, T. O. Dye, John Tuder and B. T. Duffy.

### Must Reconcile Rural Fire Department Rate Credit

A problem has arisen in connection with the proposal of the Farm Underwriters Association to grant a 10 percent rate credit on farm property that has a telephone, an approved water supply and is in the jurisdiction of a rural fire department. The point has been raised that such a credit in some cases will result in farm property getting a lower rate than unprotected, suburban dwellings on the outskirts of municipalities. In some places there is a definite arrangement with the fire department of the municipality to give service to these unprotected properties. Possibly if the farm association program goes through, the rules will be changed to permit unprotected property to enjoy the same advantage where the municipal fire department has an agreement to give service, where there is approved water supply and where there is a telephone.

There is a special committee of 11 members of the United States Independent Telephone Association to deal with the fire insurance matter. J. E. Prior of Chicago is secretary of the committee and C. C. Jones, chairman of the board of the Kansas City Fire & Marine, is insurance adviser. E. C. Blomeyer of Chicago is chairman of the committee and J. G. Crane of Kansas City is vice-chairman.

It is likely that the meeting of representatives of rural telephone companies, fire insurance people and fire preventionists, to discuss the rural fire department question, will be held some time in October instead of September. Such a meeting is being planned by Ira D. Goss, farm manager of the America Fore Companies, who is credited with having put the Farm Underwriters Association behind the program.

National Board engineers have completed a survey of Wichita, Kan.

## New England Leader



RALPH G. HINKLEY

Ralph G. Hinkley, president of the New England Fire Insurance Exchange, is the New England manager for the American of Newark with headquarters in Boston. He began cementing his relations with this company as chief clerk in the New England office in 1905. By 1924, the cement had fastened him into his present position. He is an increasingly important factor in New England insurance. His frank and analytical discussion of agency-company problems in recent conventions has brought him into the national lime-light. Mr. Hinkley is keen, cryptic and sometimes caustic in his comments. But these comments are always uttered with a twinkling eye and an engaging smile that blunt the point of any barb. Mr. Hinkley enjoys the role of the country boy who comes into the city each day. He lives at Southboro, Mass., on a farm.

### Canadian Tax Lower

OTTAWA, CAN., Sept. 4.—Taxes on fire insurance business in Canada in percentage to net premiums written were lower in 1934. The net premium income for Canadian companies on fire and other lines for 1934 was \$23,121,982, and taxes totaled \$967,516. The percentage of taxes to premiums was 4.18 percent compared in 1934 with 4.32 percent in 1933.

The taxes paid by British companies in respect of their Canadian business, fire and other, during 1934 amounted to \$1,184,790. The percentage of tax to premiums was 4.51 percent compared with 4.43 percent in 1933.

United States and foreign insurance companies paid a tax of \$846,939, the percentage of tax to premiums being for 1934, 4.80 percent compared with 5.35 percent for 1933.

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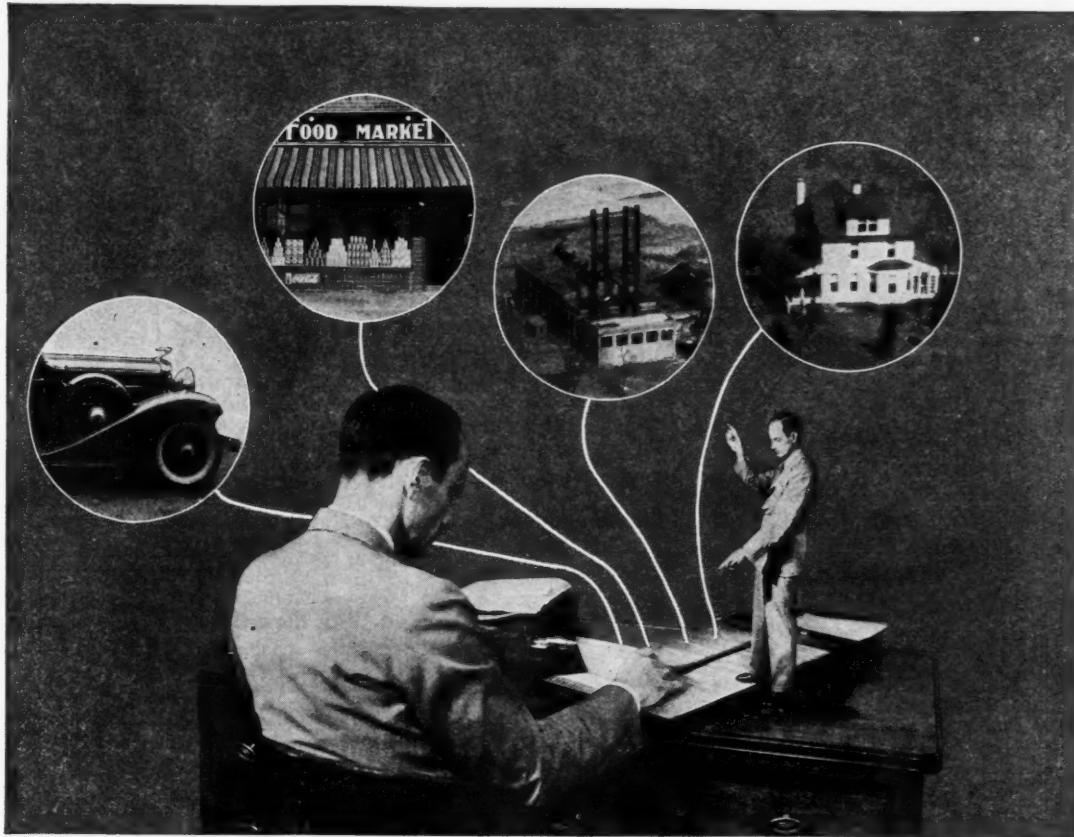
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## NEWS OF FIELD MEN

### Jurgens to the Head Office

Great American Promotes Its Special Agent in Maine—Emil Ridde His Successor

Arthur W. Jurgens of Portland, Me., has been appointed agency superintendent of the Great American at the head office. He has been special agent in Maine, assisting State Agent Ben Barker. To succeed Mr. Jurgens, the company is transferring Special Agent Emil Ridde from Boston to Portland. Mr. Ridde has been in the service of the Great American for a number of years, both in the home office and field.

### Ohio Committees Announced

#### President Nelson Makes Appointments for Fire Prevention Association

The executive committee of the Fire Prevention Association of Ohio has been announced by President Robert W. Nelson. L. C. Heller, Providence Washington, is chairman, with the following members: R. W. Kapp, Phoenix of Hartford; R. H. Dunbar, Home of New York; F. J. Weber, Firemen's of Newark; D. E. Tanner, Commercial Union; D. C. Pugh, North America; W. H. Witherspoon, Aetna Fire; C. H. Rog-

genkamp, Security of Iowa; H. D. Smith, Detroit Fire & Marine; David Allen, Pearl; F. G. Lisle, North British & Mercantile; C. W. Chappelar, London & Lancashire.

The following committee chairmen have been named, who are also on the executive committee: A. E. Bulau, Home of New York, district chairman inter-chamber fire waste contest committee; F. O. Evertz, Ohio Inspection Bureau, electrical; F. R. Middagh, Ohio Inspection Bureau, public buildings; R. B. Criswell, Ohio Inspection Bureau, fire protection and water supply; T. E. Gorma, Aetna Fire, farm committee; Martin Vold, Jr., Springfield Fire & Marine, public relations.

### Plans for Ohio Meet

The Ohio Blue Goose will hold its fall meeting and party September 9-10 at Cincinnati. Monday evening a business meeting and initiation will take place and a buffet supper will be served. A secretary to succeed the late Fred W. Ransom will be chosen. It is quite probable that Bernard Flood of the Royal in Columbus will be named. On Tuesday there will be golf, tennis, quoits, baseball, swimming and a buffet luncheon at Ryland, Ky. The baseball game will be played between the Cincinnati-Kentucky Firemen, Joseph Rielag, manager, and Ralph W. Hukill, captain, and Ohio All Stars, Paul Lorey, manager, and William Cowan, captain. A dinner will follow.

### R. M. Dart With the Atlas

R. M. Dart has been appointed special agent of the Atlas in Virginia and North Carolina to be associated with Special Agent H. W. Kirkpatrick. Mr. Dart has been with the North Carolina Rating & Inspection Bureau for some time. His most recent assignment was at Asheville, N. C., where he was special agent and rating inspector. He will continue to reside in Asheville.

### J. S. Hereford Auto Victim

J. S. Hereford, widely known Texas field man, died at his home in Dallas as the result of an automobile accident. At one time he was state agent of the North British & Mercantile, but for the past few years has been an independent adjuster.

### Home Farm Department Shifts

Russell L. Gordon, for the past year special agent in Kentucky for the farm department of the Home, has been transferred to farm department office in Chicago. Mr. Gordon is a graduate of Washington & Lee, and was formerly an adjuster in the J. H. Harrison office in Louisville, and later with General Motors Acceptance on auto adjustments. He is a son of Sam Gordon, who for a number of years was in the Kentucky field for fire companies.

Curtis Tarter, who has been with the Chicago office of the Home, farm de-

partment, has been transferred to Louisville as farm special agent. He was married just recently to Miss Marion Cundiff, daughter of George Cundiff, assistant manager of the Home's farm department at Chicago. He is a son of John Tarter, local agent at Liberty, Ky.

### Nee With Glens Falls

James E. Nee, who has been associated with the Detroit Fire & Marine for the past six years, has resigned to become special agent of the Glens Falls in the Detroit metropolitan area. Mr. Nee began as a home office employee of the Detroit F. & M. and 18 months ago entered the field as assistant to W. R. Ewald, special agent in Wayne, Macomb, Oakland and Monroe counties. Roger Billings, who has been with the Detroit Fire & Marine for three years, succeeds Mr. Nee as assistant to Mr. Ewald.

### News of Kentucky

C. E. Fieldhouse, special agent, recording department of the Home of New York in Kentucky, had an attack of appendicitis at Ashland, Ky. He was later taken to Louisville.

Marshall Mellor, state agent in Kentucky for the Home of New York, is back at the office after a vacation in Wequontsiong, Mich.

Joe Rogers, state agent in Kentucky for the Springfield Fire & Marine, is also spending a few weeks at his summer cottage in Wequontsiong, Mich.

### Field Notes

H. M. Grant, special agent of the Phoenix of Connecticut, New Orleans, is the proud father of a baby girl, Sabra Keene.

John Pratt, special agent of the Franklin Fire group at Philadelphia, is ill with a tropical fever.

### Rice Gets Buffalo Post

Homer D. Rice has been appointed manager of the Buffalo division of the New York Fire Insurance Rating Organization. He succeeds the late E. H. Sigison. He has been vice-president of the agency of Deuel, Lapey & Co. He has been active in the New York State Association of Local Agents and in the Buffalo Board.

### Ed C. Smith with "Field"

Ed C. Smith, formerly with the Western & Southern group of Cincinnati as advertising manager for the casualty and fire companies, has been appointed associate editor of the "Insurance Field" with headquarters at Louisville. He has had 10 years' experience in editorial, advertising and sales promotion work.

The Milo R. Whipple agency of Cedar Rapids, Ia., will continue under the management of William P. Whipple and Loula H. Meyer. It will maintain all former company representations. The agency is one of the well established ones.

### STATEMENT AS OF DECEMBER 31, 1934

ASSETS	
Mortgage Loans	\$ 97,650.00
*Bonds	3,456,030.00
*Stocks	3,889,162.00
Premiums in Course of Collection	680,711.83
Interest Accrued	39,301.75
Cash on Deposit and in Office	874,957.36
Missouri Premiums Impounded	63,661.08
	<u>\$8,101,474.02</u>
LIABILITIES	
Unearned Premium Reserve	\$3,836,286.86
Unadjusted Losses	254,537.00
Reserve for Taxes and Other Claims	225,000.00
Missouri Impounded Premiums	62,828.40
Capital Stock	\$1,000,000.00
Net Surplus	3,722,821.76
Surplus to Policy Holders	<u>4,722,821.76</u>
	<u>\$8,101,474.02</u>

\*Valuations on basis approved by National Convention of Insurance Commissioners.  
On the basis of December 31, 1934, Market Quotations for all Bonds and Stocks owned, this Company's total admitted Assets would be increased to \$9,128,716.02 and Surplus to Policy Holders \$4,750,063.76

Securities carried at \$62,800 in above statement are deposited as required by law.

HARRY H. CLUTIA, President

THEODORE PLESSNER, Vice Pres. & Treas. WILLIAM WILLIAMS, Secretary ROBERT L. PARSONS, Secretary

GARRETT A. GOETSCHIUS, Secretary RICHARD W. WETZEL, Asst. Secretary CHARLES H. CONKLIN, Asst. Secretary

Incorporated 1897

**Northern**  
Insurance Company  
of New York.

83 MAIDEN LANE, NEW YORK

## INDIANA INSURANCE COMPANY

A STOCK COMPANY CHARTERED 1851—OPERATING ONLY IN INDIANA

ASSETS OVER \$800,000.00

Writing

### AUTOMOBILE

All Lines in One Policy

### FIRE and WINDSTORM

Combined coverage, equal or unequal amounts, in one policy  
Excellent reinsurance facilities

### PLATE GLASS

Unexcelled contracts

### SPECIAL AGENTS

ERNEST NEWHOUSE  
HAROLD H. WELLS  
EMERSON NEWHOUSE

Riley 6452

8 East Market St., Indianapolis



## A NATION-WIDE AGENCY COMPANY

with facilities for the aggressive agent who expects more than average service in underwriting and loss transactions.

Fire, Ocean and Inland  
Marine and Allied Lines

## F. & G. FIRE

FIDELITY AND GUARANTY FIRE CORPORATION

affiliated with

## U.S.F. & G.

UNITED STATES FIDELITY AND GUARANTY COMPANY

Home Offices: BALTIMORE

Originators of the Slogan:

*"Consult your Agent or Broker as you would  
your Doctor or Lawyer"*



**PHOENIX**  
**ASSURANCE COMPANY, Ltd.**  
 of LONDON

55 Fifth Avenue, New York

METROPOLITAN - SUBURBAN AND BROKERAGE DEPARTMENTS  
 90 MAIDEN LANE

**1782 . . . 1935**

*Time-Tested*

*Depression-proof*

**An Insurance Company that has  
 endured and prospered for over 153  
 years is a good one to represent.**

**You can expect such a Company  
 to continue in the future to uphold  
 proper practices and co-operate with  
 its Agents as it has in the past.**

**One hundred and fifty-three years  
 means more than age—it means ex-  
 perience, sound and sane judgment,  
 underwriting skill.**

**PHOENIX  
 INDEMNITY COMPANY**

55 Fifth Avenue, New York

Metropolitan Department, 90 Maiden Lane

**Libel Suit Filed by A. M. Best Co.**

(CONTINUED FROM PAGE 3)

resistance was signed by Steve Healey, a former reporter for the Chicago "Herald and Examiner" and later an attache of Publisher Dunne, the two mingling among the commissioners and their party July 4 while they were in Chicago prior to taking the special train. Publisher Dunne was one of the passengers on the special. The circulation of this magazine with the chief article very subtly written served further to embitter the Best adherents.

The name of Best did not appear anywhere in the cartoon or caption used as the basis of the libel suit, but the attorneys for Best apparently will undertake to prove that it struck at none other than Best and is libelous per se.

The bill in the libel action describes the cartoon as one showing three principal characters and three minor characters in a group, all being placed on a sidewalk front of a "portentous" appearing building, labeled "Insurance Exchange!"

"On the left side of said picture is the figure of a gangster with the word 'rater' (meaning the plaintiff) on his cap, holding a revolver in his right hand, labeled 'ratings' and with money protruding from his right pocket. The revolver points to the vest of a prosperous appearing individual marked 'Insurance' with his hands stretched high in the air and with his pockets turned inside out. The gangster is shown taking money from the right pocket of the figure labeled 'Insurance.' To the right of the cartoon stands an indignant male figure bearing words across his coat, 'Insurance Index,' frantically beckoning with his left hand for three uniformed policemen in a group, identified by the words above their heads as 'supervising officials.' The character beckoning to the police officers is crying, as shown in larger type than appears elsewhere in the picture, 'Police! Stop This Holdup!'"

**Extracts from the Article**

The bill goes on to recite that on the page opposite the cartoon appears the commencement of an article under the heading, "Best's Report?—Let's talk facts!"

Certain extracts from that article are reproduced in the bill, one of them being:

"It must be remembered that Alfred M. Best is a self-appointed authority as to his ratings, and it is only reasonable to believe that he is going to rate a company satisfactorily, procure its advertising and to sell his books as long as the insurance company pays the price. Best might be likened to a judge who accepted money from a man who was on trial before him."

Another extract is:

"To give unbiased and accurate reports, in our opinion, Best should stay out of reinsurance transactions and discontinue his practice of sending in advance, publication of proposed reviews to companies with certain ratings, and then having officers of those companies visit him and arrange for a change of the rating. Either his service should be accurate and free from corruption or he should not set himself up as an authority on the subject of rating."

The third extract reads:

"Many consider Best Insurance Reports a necessary evil and pay tribute in advertising and in the purchase of books at an exorbitant figure."

Attorneys in the libel action are DeFrees, Buckingham, Jones & Hoffman.

In the copyright action the attorneys are Fisher, Clapp, Soans & Pond, specialists in copyright law.

Those attorneys state that after the Dunnes file an answer, Best's attorneys will offer a motion for a preliminary injunction to restrain the Dunnes from selling any more of their reports.

In the bill of particulars extracts from "Best's Life Report" are presented com-

pany by company alongside of extracts from "Dunne's International Insurance Report." For the most part these extracts consist of about half a dozen paragraphs of comment. In some cases, the bill indicates, the comments from Dunne's books are identical with those from Best's publication, while the attorneys will undoubtedly contend that other extracts from Dunne's book are obviously rewrites of Best's comment. Then for most companies the exhibit from Best's book showing the average premium and the lapse ratio for each year since 1930 is given and then there is set up the same exhibit in Dunne's book, which is identical. Lastly, there is shown Best's table of dividends to stockholders, beginning in 1920 and the same exhibit from Dunne's book, which is also identical.

**YETKA-BEST TIFF**

ST. PAUL, MINN., Sept. 4.—Progress toward an amicable adjustment of the Yetka-Best controversy was evident today. Neither Mr. Yetka or A. M. Best would make a statement. The conference is to be resumed this evening. No court action filed here yet and indications are that none will be.

Best has dispensed with his Farmer-Labor attorneys and is handling negotiations direct, assisted by Vice-President Ray Smith and Attorney John McElraevey.

ST. PAUL, Sept. 4.—Any legal action which the Alfred M. Best Co. may initiate to test the order of Commissioner Yetka of Minnesota prohibiting the use of insurance company ratings in the solicitation of business, will be welcomed by the commissioner, he said.

Commissioner Yetka said, however, he doubts whether any action would be started in federal court as has been rumored. Mr. Yetka and his staff are preparing their side of the case in the event of court action. There are reports in St. Paul that the Best company is planning to carry on a newspaper advertising campaign such as was conducted in Washington, D. C., at the time the rate book ban was established there by Commissioner Marshall.

Mr. Smith said the Best company would welcome a court review.

Mr. Yetka is nettled at what he considers undue political interference, citing the employment by the Best company of two prominent Farmer-Labor leaders as their attorneys in the appeal to the state commerce commission.

**BEST ON OFFENSIVE**

Alfred M. Best this week sent out to newspapers a news release which is stated to be "the first of a series of articles the purpose of which is the correction of an intolerable condition existing in the life insurance business."

This is obviously a means employed by Mr. Best to strike back at those who have been attacking him for the last three or four years. It is an aggressive move and indicates an intention to fight.

Best states that the officials of some life companies, the status of which is questioned, decided that if they would stay in the business they must muzzle anyone attempting to tell the truth about them, and persuaded certain insurance commissioners to join in this attempt.

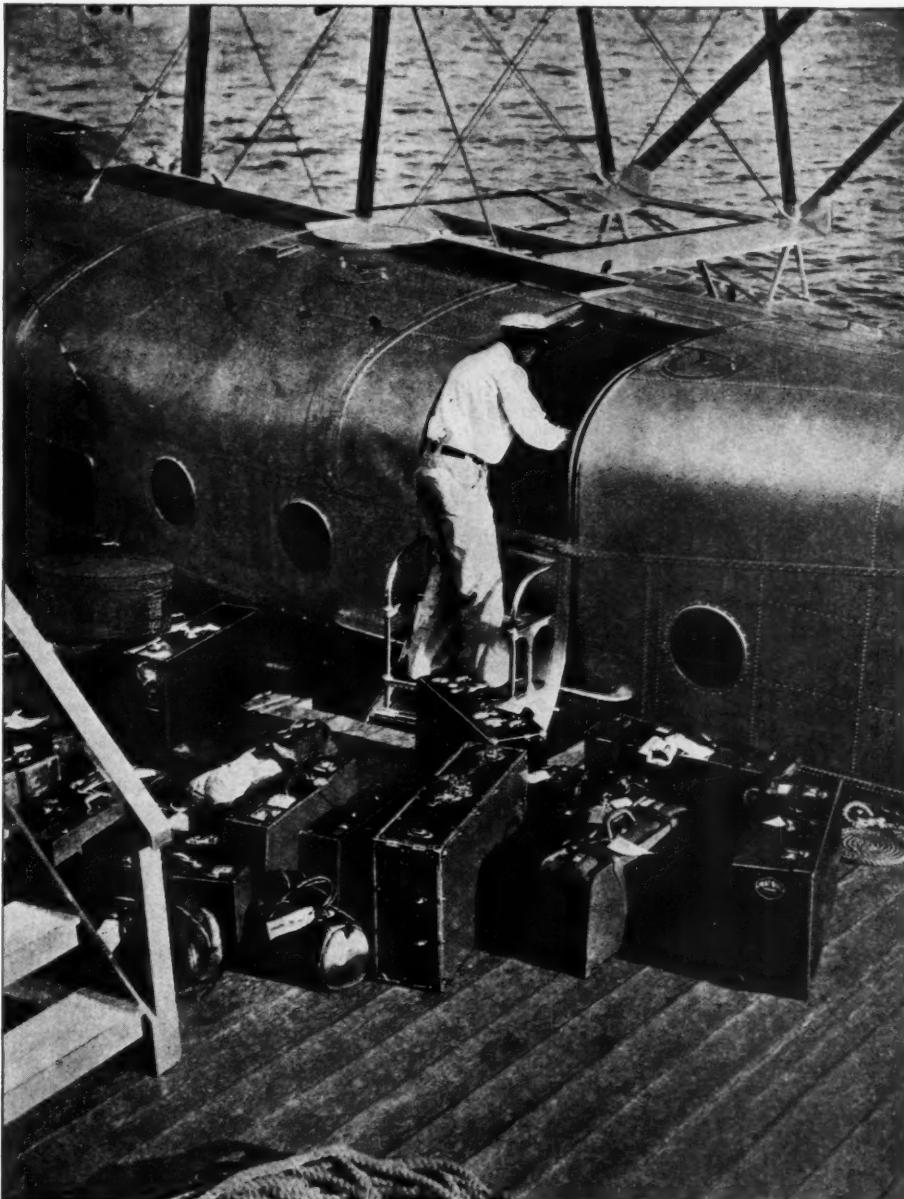
Mr. Best states that in some states where the worst conditions prevail every conceivable effort has been made by the managements of doubtful or insolvent companies and by their home state departments to prevent comment on statements by withholding the statements themselves.

# The Same Difference

THE same difference that exists between old-fashioned luggage and up-to-date traveling equipment exists between the old-fashioned Tourist Baggage policy and modern Personal Effects Floater coverage.

Today, ordinary activities continually subject personal belongings to damaging and destructive hazards. At restaurants, hotels and country clubs they may be damaged, lost or stolen; they are similarly endangered while being transported or while at the laundry or cleaners.

A Personal Effects Floater policy in a Company of the Royal-Liverpool Groups will protect an insured against losses of this type in practically all situations away from his permanent residence.



COURTESY PAN AMERICAN AIRWAYS, INC.



## PERSONAL EFFECTS

insurance is needed by every one—whether or not he travels. For information regarding up-to-date underwriting and selling facilities for Personal Effects insurance and other Inland Marine lines, write to

# ROYAL-LIVERPOOL GROUPS

ONE HUNDRED FIFTY WILLIAM STREET, NEW YORK, N. Y.

AMERICAN & FOREIGN INSURANCE COMPANY • BRITISH & FOREIGN MARINE INSURANCE COMPANY, LTD. • CAPITAL FIRE INSURANCE COMPANY OF CALIFORNIA  
 THE LIVERPOOL & LONDON & GLOBE INSURANCE CO. LTD. • THAMES & MERSEY MARINE INSURANCE COMPANY, LTD. • QUEEN INSURANCE COMPANY OF AMERICA  
 FEDERAL UNION INSURANCE COMPANY • THE NEWARK FIRE INSURANCE COMPANY • ROYAL INSURANCE COMPANY, LTD. • STAR INSURANCE COMPANY OF AMERICA



## MARINE INSURANCE NEWS

### I. M. U. A. Considers Chicago

#### Committee to Meet on Jurisdictional Matter Involving Sale of Personal Property Floater

NEW YORK, Sept. 4.—An undercurrent of feeling is discernible in the Inland Marine Underwriters Association following action off the Chicago Board in approving sale of the personal property floater in Chicago including fire insurance in the one combination contract. The I. M. U. A. committee on fire, casualty and automobile organizations, it is reported, plans to meet in a very few days on the subject, the essential object of the meeting not being announced.

However, the bulletin sent out by Albert Willcox & Co., secretary and manager of the I. M. U. A., reproduced a letter of May 23 sent to the Chicago Board following a conference of a Chicago committee with I. M. U. A. leaders here on ways and means of placing sale of the floater firm in Chicago on a sound basis in an effort to end the unregulated sale of the contract not only by many independents but also, it is said, by companies represented in the Chicago Board, on a basis contrary to the then board rules.

#### Seen as Significant Action

There was no comment regarding the May 23 letter in the bulletin, but its reproduction is taken to be significant in view of the contents. This letter states:

The Inland Marine Underwriters Association committee on relations with fire organizations to which your letter of May 11 was referred, notes with much interest the statement of principles approved by your board of directors in connection with the personal property floater and other similar types of policies (if any).

As our committee endeavored to make clear to yours when the two committees conferred in New York on Feb. 7, the Inland Marine Underwriters Association will always be glad to receive suggestions from the Chicago Board or from any other interested parties regarding any improvements which can be suggested in our methods of rating or administering this form of policy which would tend to eliminate or prevent any unnecessary interference with the legitimate interests of fire or casualty underwriters.

We thought we had made it clear to your committee, however, that no proposals can be entertained by the Inland Marine Underwriters Association which would impair in any way the full and complete control by the Inland Marine Underwriters Association over all classes of business under its jurisdiction.

The personal property floater being classed as marine and written under the marine powers of the companies in conformity with the ruling of the insurance department of the state of Illinois, is such a class.

The declaration of principles adopted by your board of directors and transmitted with your letter above referred to is in sharp conflict with the fundamental principles outlined above and widely at variance with the informal recommendations made by us at the time of our conference with your board committee.

We are not unmindful of the local problems with which your board has to deal and are entirely sympathetic with the idea of such cooperation between our two organizations as may be helpful to you and not harmful to the interests of the Inland Marine Underwriters Association membership.

Our present legislation was inspired by the desire to meet the needs of a widely diverse membership, and while it may be that certain changes might be considered for application to Chicago and Cook county that would be mutually helpful, such changes should emanate from the Inland Marine Underwriters Association itself, and only after a further exchange of views between appropriate committees of the two organizations.

The I. M. U. A., following the joint

conference referred to, made permissible to member companies the writing of the personal property floater in Chicago ex fire, in an effort to cooperate with the Chicago Board. The complaint of the I. M. U. A. now appears to be that the Chicago Board did not wait for the I. M. U. A. to promulgate a rule permitting the writing of the floater in Chicago in one contract with fire insurance included at the Chicago Board published rate.

A number of marine underwriters cannot see that any particular harm has been done, but instead see positive benefit to the I. M. U. A. from the Chicago Board promulgating the rule. Companies which are not members of the I. M. U. A. but are of the Chicago Board, thus through a cooperative arrangement are brought under regulation in Chicago.

It is believed approval by the I. M. U. A. of the Chicago Board rule would operate just the same as if the I. M. U. A. should exercise original jurisdiction and the Chicago Board should ratify the rule. The order of precedence is considered by many underwriters to be an unimportant issue. There is as yet no indication what, if any, action may be expected from the I. M. U. A. on the Chicago matter, other than the intimation given in the letter of May 23.

#### Outsiders Are Invited

Because members of syndicate C of the American Marine Insurance Syndicate have not subscribed to the entire amount of \$5,000,000 to form a new syndicate to write insurance on builders' risks on government naval vessels, American companies which are not members of syndicate C have been invited to participate.

#### Insurance on the "Dixie"

NEW YORK, Sept. 4.—Hull insurance on the steamer "Dixie," aground off Miami, is \$1,500,000. The cargo is thought to be worth \$750,000.

#### Knott Is Refused Right to Examine Records of Agency

Circuit Judge Browne at Miami has reaffirmed an injunction that was previously granted to prevent Commissioner Knott from examining the private records of the Kennedy & Ely agency of Miami. Mr. Knott contended that the information sought is necessary in order to prevent illegal division of commissions. The court, however, declared that persons engaged in business cannot be required to give up their constitutional rights against "unlawful search and seizure."

The agency contended that the information sought by the commissioner could be used by competitors. The court added that the information might be intended as a basis for prosecution also.

"The statutes under consideration are patterned after federal statutes," the judge declared. "If avid grasping for power and reaching after more continues, we may soon have a bureaucratic system in Florida equally as pernicious. The courts have no power to demolish these bureaus but they should keep them within constitutional bounds."

#### Centralia, Ill., Agent Active

Ten local merchants at Centralia, Ill., representing building material and home furnishings exclusively rented a building for 30 days and gave a better home exposition, running it in conjunction with the government better homes promotion. No admission was charged. It was open afternoon and evenings. Entertainments were given part of the time. Guy C. Livesay, a local agent, had an exhibit that attracted much attention.

## AGENTS

## BROKERS

## SOLICITORS

## COMPANIES

Are you now preparing for a state examination? Is anyone in your office?

Would a mimeographed set of the 565 questions on which the Ohio examinations will be based assist you? WITH ANSWERS APPROVED BY THE INSURANCE DEPARTMENT? Of course they would.

Prepared by the editor of The Fire, Casualty and Surety Bulletins, in cooperation with the Insurance Department of Ohio, these questions will form the basis for subsequent Ohio examinations. And they are so comprehensive that they will provide adequate study for any state examination. Ideal for an agency to use in preparing solicitors, or for a company in assisting a new agent to get started. Indispensable for a person preparing for an examination.

Prices: Single sets	
One Subject (Fire, Casualty or Surety) .....	50 cents
Fire and Casualty.....	\$1.00
Complete set (three subjects) .....	\$1.25

Prices postpaid. In Ohio add 3% for state sales tax. Prices for quantity orders on request.

The National Underwriter Co.  
F. C. & S. Bulletin Department  
420 East Fourth St.  
Cincinnati.

Send me.....copies of the Ohio license examination questions, covering (check which)

Fire  Casualty  Surety  All three

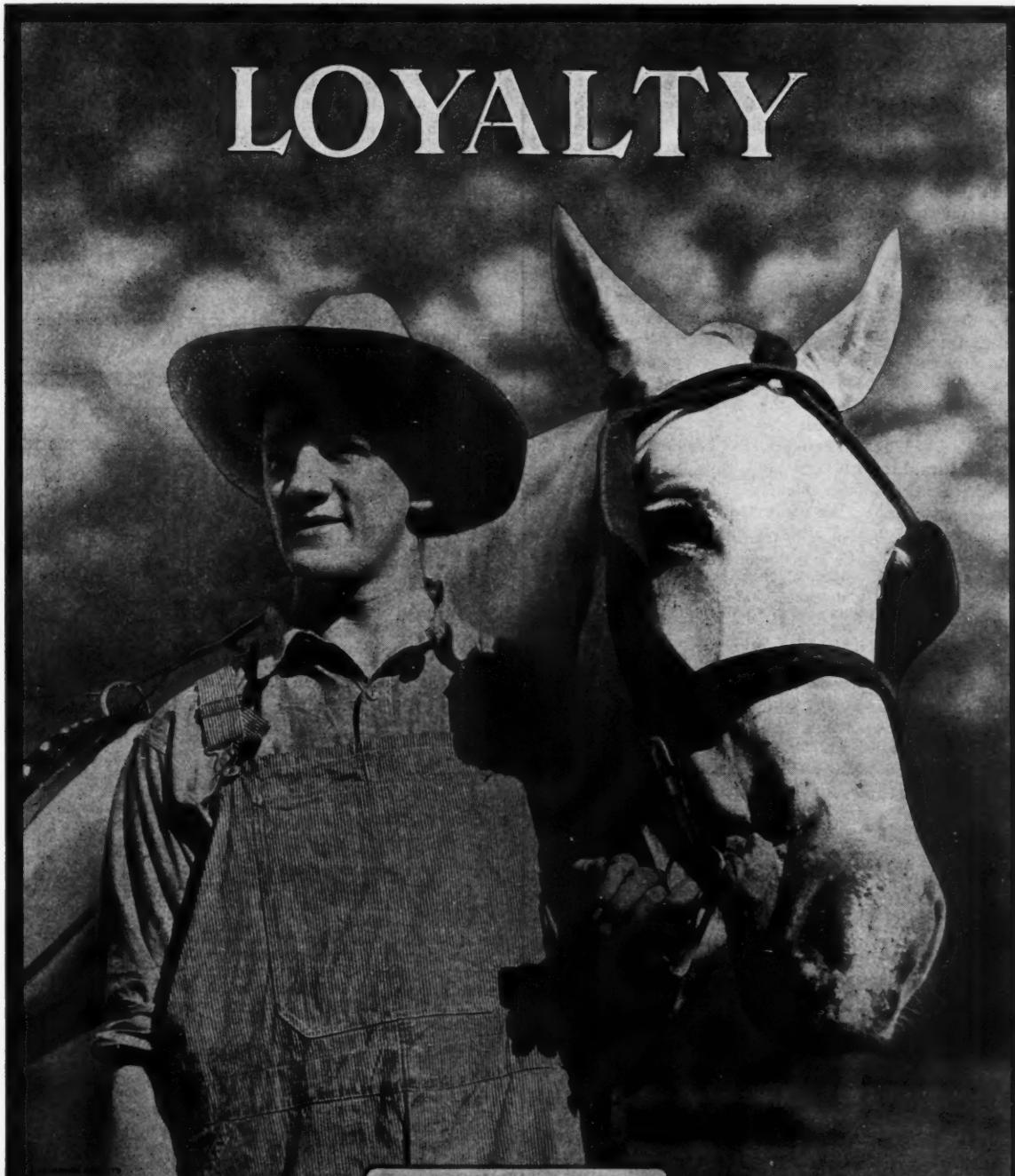
Remittance in amount of \$..... is enclosed.

Name .....

Address .....

City and State.....

Note—Remittance Must Accompany Order



#### FAITHFUL PERFORMANCE

The horse has rendered to mankind a service beyond computing, ploughing the ground, harvesting his food, carrying his burdens, speeding his communications and facing death in his battles, dumbly begging in return, with gentle, pleading eyes, naught save a little care and the plainest of rations. Surely, if "patient endurance is Godlike," there must be an equine heaven with tender grass and gentle breezes to reward the long suffering patience and loyal endurance of our ancient friend, the horse.

#### LOYALTY GROUP

Firemen's Insurance Company of Newark, New Jersey, organized 1855	Milwaukee Mechanics' Insurance Company organized 1852
The Girard Fire & Marine Insurance Company " 1853	National-Ben Franklin Fire Insurance Company " 1866
The Mechanics Insurance Company of Philadelphia " 1854	The Concordia Fire Insurance Company of Milwaukee " 1870
Superior Fire Insurance Company " 1871	The Capital Fire Insurance Company " 1886
The Metropolitan Casualty Insurance Company of New York " 1874	Commercial Casualty Insurance Company " 1909

WESTERN DEPARTMENT  
844 Rush Street, Chicago, Illinois  
CANADIAN DEPARTMENT  
461 Bay Street, Toronto, Canada

EASTERN DEPARTMENT  
10 Park Place  
Newark, New Jersey

PACIFIC DEPARTMENT  
220 Bush Street, San Francisco, Cal.  
SOUTH-WESTERN DEPT.  
912 Commerce Street, Dallas, Texas

## EDITORIAL COMMENT

### Insuring the Long Haul Truckers

THE question of insuring long haul trucks is one that we believe the insurance companies should approach with more intelligence and determination than has been indicated. Here is a great transportation industry that has insurance needs. Its weaknesses from the risk viewpoint are too well known to be elaborated upon, but it is inconceivable that the trucking industry, as it emerges from its pioneering stage and takes its proper niche in the transportation system, will remain a sort of highway cowboy. Experimental federal and state measures of control will eventually produce intelligent regulation and the business is likely to come under the control of large and responsible operators. Witness the recently announced intention of the JOHN D. HERTZ group to organize a national trucking organization under the title of the KEESHIN, INC.

For the most part, the standard companies have regarded this long haul trucking business as the most distasteful sort of accommodation business, to be accompanied by at least four lumps of sugar, please.

Some of the least responsible insurance operators have seen an opportunity. The line commands a large premium and is non-competitive. Accordingly, some of the borderline institutions have taken this business. The truck operators have patronized this market, as a last resort, and have paid the premium demanded. They need insurance to operate in most of the states, because a liability policy is a prerequisite to the issuance of a certificate of authority to operate. If the insurance company is licensed in the state where a certificate of authority is needed, a liability policy in that company is as good as any other for the purpose.

The claim practices of some of these companies, according to report, are

reprehensible. One of the reputed claim tactics is for the adjuster to tell the claimant that the financial condition of the insurer is precarious and that if he is not willing to accept a small cash settlement and decides to take his case to court, the company may be out of business by the time a decision is reached.

Two or three years ago a couple of old charter companies in INDIANA were revived, known as the MID-WEST and the MADISON. They wrote a lot of this business and there seems to be no doubt that the management had no idea of operating permanently, but was interested in collecting as much as possible in a short time and then letting the concerns blow up when the inevitable day of reckoning arrived.

Therefore, the insuring of long haul truckers to a considerable extent has been about as wild as the industry itself.

We don't recall of any serious, organized study having been made by standard companies to determine the insurability of this class of business. Possibly some real thought has been given to the problem by the responsible element of the business, but if so it has not been publicized. It seems to us that the NATIONAL BUREAU OF CASUALTY & SURETY UNDERWRITERS should have a first-class committee working on the problems, following developments and tendencies in the trucking industry, studying the laws governing the industry, investigating the advisability and practicability of organizing a pool to handle such risks and conducting research into procedures which might make the line insurable. The insurance companies, we believe, should be on top of the situation. It is our impression that long haul truckers today are regarded by standard companies merely with a sneer and a shudder.

Dr. and Mrs. Harry Norton Torrey of Grosse Pointe Farms, Mich., have issued invitations to the marriage of their daughter, Miss Eleanor Ford Torrey, to John Shallcross of New York City, Sept. 14 at the Grosse Pointe Memorial Church. Mr. Shallcross graduated from Yale last June and is the son of C. F. Shallcross, United States manager of the North British & Mercantile group. He is a grandson of the late Charles H. Post, who for many years was United States manager of the Caledonian.

Platt Whitman, former Wisconsin insurance commissioner and now president of the State Bank of Highland, Wis., who recently went to the Mayo Clinic at Rochester, Minn., for observation, has returned to his home for a rest and physical building up preparatory to returning to Rochester for a major operation.

Ira D. Goss, farm manager of the America Fore companies, has returned to his desk in Chicago earlier than he had planned. He passed several weeks at his summer place on the Tippecanoe river in Indiana, but the advantages of home were impressed upon him forcibly when the rains descended and he and his family became marooned, due to floods. They were surrounded by water for more than a week and although they were in communication

ord for claim paying. There are companies, however, that disregard moral and even legal obligations and endeavor to skimp on their claims. These companies buy their business for a price, get it at too low rates, take it on ultra-liberal terms and then in order to make up for what has been done endeavor to recoup through the claim route.

When one scans the legal services he is impressed with the fact that the cases indicating a spirit of contempt for fair dealing and equitable treatment involve

companies that are trying to progress through claim cutting. It behooves agents these days to study companies more closely. A company may take poor business, pay excess commissions, cut rates and do this that or the other to build up volume and yet when it comes to meeting its obligations to claimants it endeavors to save what it can out of payments that should go to policyholders. An agent should be very jealous of his reputation and that of his companies.

### Excellent Sales Material

A NUMBER of speakers before meetings of the state associations of local agents are giving some valuable sales ideas which if put into effect undoubtedly will assist salesmen in securing business. Local agents are getting more sales-minded and are realizing that in

order to build business it is necessary to do creative work. An agent these days needs to be equipped for his task, not only in knowing his contracts and how to apply them, but he must have some real knowledge of the psychology of selling.

### PERSONAL SIDE OF BUSINESS

Mr. and Mrs. John H. Milliken of Denver have sent invitations to the marriage of their daughter, Rose, to Donald F. Kinney of Denver. Mr. Kinney is correspondent for THE NATIONAL UNDERWRITER. The wedding will be Sept. 11.

R. Dunham Braman, who for four years has been in charge of the claim division of the Connecticut insurance department, has resigned to enter the claim department of the Connecticut General Life head office. He is a nephew of Col. H. P. Dunham, former Connecticut commissioner. He is a graduate of Amherst and the Hartford Law School.

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with the outside world by boat, they were not able to leave their place during that time.

William Ford of the well known local and general agency of Ford, Walker & Hearne of Shreveport, La., together with Mrs. Ford have been spending part of their vacation at the Edgewater Beach Hotel in Chicago. They plan to make a tour of Michigan before returning to Shreveport. The agency has represented the U. S. F. & G. 39 years.

A. C. Root, Clinton, Ia., local agent, makes it a point to go on a pilgrimage with his wife the last week of every August, as Aug. 28 is the anniversary of their marriage. For the last few years they have been in Chicago. This year Mr. and Mrs. Root attended the famous football game between the all-American team and the Chicago Bears. Mr. Root called on a number of his insurance friends while he was in the city.

Mr. and Mrs. Harvey Nelson, Jr., of Jersey City announce the arrival of a son, Lee Francis Nelson. Due to the recent separation movement in New Jersey Mr. Nelson, Jr., became head of the newly established Nelson General Agency, while his father, who is active in national agency affairs, continues to conduct the old firm of Nelson & Ward on a straight agency basis.

Mr. Nelson, Jr., has been active in New Jersey politics in support of Governor Hoffman. He was campaign treasurer for Jersey City and aided the governor in his field activities.

M. E. Packard, of Los Angeles, 35, manager for southern California of the Henley & Scott general agency, was killed in an automobile accident. He had been with Henley & Scott for the past year and formerly was with Spear & Co. and the Mullin-Acton Co. He was also in the local agency business for several years.

The death of E. H. Lambert of Paterson, N. J., at his home, removes one of the best known agency and real estate operators in that section. Although in

### Attitude Toward Claim Settlements

INSURANCE companies of the finest grade and quality do not quibble over claims where there is any probable liability. They assume a moral responsibility in their relationships. Recently in an address before the Minnesota agents S. H. QUACKENBUSH, western manager of the WESTCHESTER FIRE, stated that in his long experience in stock fire insurance he had noticed but few instances involving loss claims where a moral obligation to pay existed which had not been allowed, regardless of technical violation of policy conditions. There have been on the other hand thousands of dishonest claims paid because the attitude of the public has been

such that a successful defense seemed impossible.

Insurance does not take its responsibilities lightly. There are very few cases in court over claims in comparison with the thousands and thousands that are paid without delay. Whenever one finds a conscientiously managed company involved in a lawsuit it can be taken for granted that the management considered there was a flagrant violation of policy conditions. The substantial, well managed institutions are not trying to save on their claims. They desire to meet their obligations promptly and in full. After all, the greatest monument to sound, reliable insurance is its record.



### THE NATIONAL UNDERWRITER

PUBLISHED  
EVERY THURSDAY

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LEVERING CARTWRIGHT, Ass't Man. Editor  
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his late sixties, he was active in business and visited his office every day. His insurance career extended for over a period of 40 years. He is survived by two sons, Joseph and William, who were associated with him in the firm. William Lambert, the eldest son, was a former special agent for the North British & Mercantile, traveling in the middle west.

**David J. Main** of the well known Standart & Main general agency of Denver is planning to make an eastern trip in November, especially to attend the meeting of the alumni council of Dartmouth college, Nov. 22. Mr. Main was elected president of the Dartmouth Alumni Association last June. In the east he plans to see two of the Dartmouth football games. Mr. Main was captain of the Dartmouth team in 1905 and that was the year when Dartmouth won from Princeton for the first time, 6-0.

**Holmes Meade**, prominent local agent of Topeka, Kan., and former president of the Kansas Association of Insurance agents, has been released from the Long Beach, Cal., hospital, where he was confined three weeks with an infected foot. Mr. Meade suffered the injury in Honolulu. He was on a vacation trip with Mrs. Meade and their daughter Evelyn.

**R. R. Nelson**, president Western Underwriters Mutual, Kansas City, and Mrs. Helen Houston McDermand were married at Bar Harbor, Me.

Christian Science funeral services were held in Milwaukee Friday afternoon, for **Bernard A. Lehnberg**, 54, vice-president of Chris. Schroeder & Son Co., who died at his home in Milwaukee Aug. 28. His death came unexpectedly and was a great shock to his wide circle of friends. He had been ill at home for about a week with a heart ailment but not considered serious.

The Milwaukee Board of which Mr. Lehnberg was a director and immediate past president, was represented by the officers and directors. The Wisconsin Association of Insurance Agents was officially represented. Attending the funeral were many state and special agents, and many local agents.

Clarke Munn, manager Cook County Adjustment Bureau, Chicago; Secretary J. H. Macfarlane, America Fore; Assistant Western Manager R. F. Woltersdorff, Atlas, and General Adjuster J. A. McClelland of the Great American were present from Chicago.

Pallbearers were Gustav Krueger, A. S. Walish and A. F. Mack, Jr., associates in the Schroeder agency; Paul

Rudd, state agent Aetna Fire; Monroe Porth, Milwaukee local agent, and R. H. Pinkley, a long time friend of Mr. Lehnberg.

**A. T. Sauer**, St. Louis insurance attorney, who has been active in the St. Louis court of Cats Meow, has been elected commander of the Aubuchon-Dennison post of the American Legion. By virtue of his new office Commander Sauer will have considerable work to do in connection with the national convention of the Legion to be held there Sept. 22 to 26.

Vice-president **J. A. O. Preus** of the W. A. Alexander & Co., agency of Chicago is seeking relief from hay fever in Norway. He crossed the ocean in a slow boat and plans to return the same way in about two or three weeks.

**Edwin Parrish**, vice-president of the America Fore in charge of the Pacific Coast territory, accompanied by Mrs. Parrish is on a trip to Honolulu. Mr. Parrish is chairman of the executive committee of the Pacific Board. **A. T. Bailey**, Pacific Coast manager of the North British companies, and Mrs. Bailey are also enjoying a Honolulu vacation trip.

**E. D. Lawson**, western marine department manager of the Fireman's Fund at Chicago, who recently invented a mercury tube safety device for motor vehicles to cut off ignition in event of crash and overturn, with the idea of avoiding fire, has concluded royalty arrangement under which the device is to be manufactured and placed on the market soon by the Pine's Winterfront Corporation. The "S. O. S. Switch" as it is known recently was tested and approved by the Underwriters Laboratories. Mr. Lawson's original idea came from observing the large number of fires resulting from overturn of insured trucks. The device is equally applicable to passenger automobiles.

Tragedy this week struck twice within a year's time in the family of **Henry F. Evans**, Cashman & Evans agency, Denver. T. J. Evans, a son of the elder Evans, died this week a few days after he was injured when the automobile he was driving crashed into the rear of a standing street car. About a year ago, another son shot himself fatally a few minutes after T. J. Evans had left on a cross-country trip. After being notified of his brother's death and while returning to Denver, T. J. Evans figured in an auto crash and suffered a broken neck. He was the fifty-first to be killed in Denver auto accidents this year.

## Snaps of the Blue Goose Rally

**M. C. W. Buchenberger**, wielder of the New York City pond, was responsible for the artistic decoration of the convention hall on the roof of the headquarters hotel at the Atlantic City Blue Goose convention and was given a vote of thanks.

\* \* \*

**Mrs. Henry L. Rose** of Baltimore, whose late husband was head of the order several years ago, was on hand.

\* \* \*

**Carroll L. DeWitt**, assistant United States manager of the Eagle, Star & British Dominions, was introduced as the only charter member present. Mr. DeWitt participated in the launching of the Blue Goose upon the shores of Green Lake, Wis., in 1906, and for many years before going to New York City, was active in the Illinois pond, serving for a time as most loyal gander.

\* \* \*

Considerable merriment was caused by the parading of a goose of the conventional type, but dyed a light blue, through the hotel corridors to the wonderment of children and embarrassment of the subject. Noting the crude effort

to change the natural hue of the domestic goose, one of the Alberta delegates stated his pond succeeded in securing two geese of simon pure blue variety, promising that if and when these produce goslings one would be furnished other ponds if desired, so long as the supply lasted.

\* \* \*

**Wilfred Kurth**, president of the Home fleet, attended all of the business sessions and presided expertly at the banquet.

\* \* \*

The open house maintained by the New Jersey Special Agents Association proved popular.

\* \* \*

Perhaps at no previous grand nest meetings were so many ladies in attendance.

\* \* \*

Banners of each of the ponds adorned the walls of the convention hall, forming a happy background.

\* \* \*

Hosts for the visiting delegates were representatives from the Empire State, New England, Chesapeake, Penn and the New York City ponds. E. W. Dart, head of the New York City pond serving as

(CONTINUED ON PAGE 29)

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# FIRE INSURANCE NEWS BY STATES

## MIDDLE WESTERN STATES

### Hopton Sends Questionnaire

**Foreign Businesses That Operate in North Dakota Must Tell How Their Insurance Is Handled**

Insurance Commissioner Hopton of North Dakota has addressed a questionnaire to all foreign business concerns, the headquarters of which are outside of North Dakota but which operate in that state, inquiring how their insurance is handled. He is seeking this information as a basis for enforcing the new resident agent's law, which was passed at the recent session of the legislature, and the premium tax law.

Those to whom the questionnaire is addressed must give the name and owner of the local business and address of its head office or headquarters; the average value of the stock or supplies carried, with the amount of insurance on the stock and supplies and on the building; the names of the insurance companies writing the business and whether written locally or at the head office, with the name of the resident agent or the outside agent handling the line; how long the local business has been conducted and when established and where the insurance policies are kept.

Observers believe that Mr. Hopton may turn up some information of value to the local agents of the state, but they point out that he cannot reach those concerns that are insured in non-admitted companies, where the contract was effected outside the state.

The authorities recently took somewhat similar action in Minneapolis in seeking to enforce the 2 percent surtax on premiums for the benefit of the firemen's pension fund there.

### Sheppard Makes New Move to Block Missouri Deal

Attorney R. M. Sheppard has made another move in an attempt to block the compromise settlement of the Missouri fire insurance rate case. He has filed a supplemental brief with the federal court at Kansas City in connection with his petition for the right to intervene in the proceedings in behalf of a group of policyholders.

Sheppard seeks the privilege of filing an additional statement of facts relative to the case. It is insisted again that Insurance Superintendent O'Malley did not have the authority to set aside the order of the insurance superintendent in 1930 on the rate question. Assuming, however, that he had such power, Sheppard contends that the rate increase to be applied, under the settlement provision, from June 1, 1930, until May, 1935, should not exceed the rate provided for in the contract of settlement to become effective after May 1 of this year. The exact amount of that, under the compromise, would be determined by the state actuary after he has determined the general rate level based on reclassification and data now in his possession.

The brief contends if the agreement were carried out there would be disbursed for attorney's fees and costs the sum of \$3,965,000, which is \$1,805,000 more than would be received by the policyholders. Sheppard asked the court to require O'Malley and attorneys for the companies to file a complete itemized statement as to the various items of attorneys' fees and costs, which it is proposed to pay and the court should pass upon these allowances and the money should be distributed under the jurisdiction of the court.

The settlement agreement provides

that 30 percent of the impounded premiums be turned over to R. J. Folonie of Chicago, attorney for the companies, and C. R. Street of Chicago and they would make disbursements to the interested attorneys without the necessity of any subsequent accounting to the Missouri department.

### Peoria Board Committee

The Peoria Board has appointed a convention committee to take care of the local end of the annual meeting of the Illinois Association of Insurance Agents to be held in the Pere Marquette hotel in its city, Oct. 23. Lyle H. Gift is chairman, the other members being W. P. Brown, L. L. Houser, William Tuerk and Henry Wittick.

### Beloit Agents Outing

About 60 members and guests of the Beloit, Wis., Insurance Underwriters Association attended the annual outing at Bass Creek picnic site. Baseball, horseshoe, other games and music comprised the program, and a steak dinner was served. William J. Devine, Jr., president of the association, was general chairman.

### General Licensed in Michigan

LANSING, MICH., Sept. 4.—The Michigan department has finally issued a direct-writing license to the General of Seattle, which has long been seeking authorization in this state.

The General's last application for license was summarily rejected when information was unearthed by the department that the company had accepted some Michigan business, placed through an unlicensed out-of-state broker at sub-standard rates. The company has since been making strenuous efforts to convince Michigan officials that there would be no future breach of the statutes.

### Attorneys Are Employed

The law firm of Finlayson, Burke & McKie of Omaha has been employed by the National Board to bring an action to knock out the recent legislation in Nebraska imposing a 2 percent tax on premiums on business written within the corporate limits of a city or village for the benefit of the fire department pension fund. The attorneys are now preparing the pleadings. The expectation is that the mutual companies will seek to intervene as soon as an action is started.

### Wells Made Co-Trustee

DETROIT, Sept. 4.—Carl S. Wells, president of the Homer Warren & Co. agency, has been appointed co-trustee of all properties in Michigan controlled by S. W. Straus & Co., who have bond issues on Michigan properties totaling \$20,000,000 on 25 hotels and apartment buildings. Mr. Wells will have complete charge of the management of the properties.

### Recognize Rock County Board

JANESVILLE, WIS., Sept. 4.—The Rock county board of supervisors has adopted a resolution of recognition of the recently organized Insurance Underwriters Association of Rock County. The county board's action is a forerunner to a plan to pool the fire and tornado insurance on all county properties through the board, comprising 58 local agents in all parts of the county.

Fred O'Neil, Beloit, addressed the supervisors as an official of the board, pointing out that the county now has 174 different policies with no uniformity as to dates of expiration, with some

buildings over or under-insured and others not covered. The board proposed to make a survey of all insurable property to determine valuations and recommend insurance amounts; inspect for hazards that can be eliminated to secure lowest possible premium rates and prepare a plan of simplifying policies and spreading out the premiums so as to equalize the amount to be paid each year.

The supervisors voted to appoint a special insurance committee to work with the board. W. J. Tucker, Beloit, past president of the Wisconsin Association of Insurance Agents, is president of the Rock county association.

### Borrow From Fire Fund

MADISON, WIS., Sept. 4.—The joint legislative committee on finance has reported for introduction in the present session a bill embodying steps for the immediate erection of a large new unit to the present state capitol annex building and appropriating \$600,000 from the Wisconsin state fire fund as the state's 55 percent of the cost. The remainder of the \$1,100,000 11-story addition is to be allotted by the federal government under the public works administration.

The commission is authorized to fix an annual rental for the office building, with the rental high enough to amortize the \$600,000 loan from the state fire fund over a period of 20 years, with interest at 3 percent.

### Springfield Field Day Plans

SPRINGFIELD, Ill., Sept. 4.—The Springfield Board of Fire & Casualty Underwriters has sent to local agents and company officials throughout the state invitations to the first annual field day of the organization to be held Wednesday, Sept. 11 at the Illini Country club. There will be a golf tournament and picnic, and a buffet luncheon. Ross L. Weller is general chairman, being assisted by Alvin E. Skoog, C. R. Shryver, Alvin S. Keys, Newton C. McVay, Casper Brown and William Booth, president of the board.

### Wisconsin Convention Oct. 10-11

MILWAUKEE, Sept. 4.—Plans are under way for the annual meeting of the Wisconsin Association of Insurance Agents, to be held at Sheboygan, Oct. 10-11. Tentative dates previously announced were Oct. 3-4, but the meeting was deferred a week since the National association convention at Rochester, N. Y., comes Sept. 23-26.

The Sheboygan Board will be host to the state association. Committees to handle local convention arrangements are being appointed, with the following officers already active: Gerry Pauly, president; G. H. Gunther, vice-president; Ralph E. Clarenbach, secretary; Adolph Baumann, treasurer; W. A. Martins and Louis J. Albrecht, directors.

### Cincinnati Course Outlined

A complete outline of the course in property insurance to be given at the evening school of the University of Cincinnati beginning Sept. 24 has been announced by J. F. Schweer, secretary of the Cincinnati Fire Underwriters Association. During the first semester the class will take up the economic basis of insurance, its history, the standard fire insurance policy, insurable interest, risk, hazards and types of insurers. The second semester course will conclude the study of fire insurance with a consideration of rates, underwriting, reinsurance, adjustments, business procurement, accounting and state supervision and continue with a study of such lines as U & O, automobile and marine insurance and a brief treatment of fidelity and surety bonds and miscellaneous forms. Next

year the university and the association plan to offer a course in casualty insurance.

Dr. F. E. Wolfe, economist with the Procter & Gamble Co., and formerly professor of property insurance at the University of Illinois will be in charge. Sessions will be held every Tuesday evening at Baldwin Hall on the university campus.

The course is intended for salesmen, solicitors, office employees and employees of corporations whose duties involve handling of insurance. It is an elementary course and is not intended primarily for executives and experienced agents.

The course was arranged by the educational committee of the Cincinnati Fire Underwriters Association, consisting of Walter Alexander, Max Bernstein, Thomas Bryant, Albert Eckes, Theodore Safford, G. B. Wilson and J. F. Schweer.

### Yetka Gets Settlement

ST. PAUL, MINN., Sept. 4.—Commissioner Frank Yetka of Minnesota is now revealed in a new insurance role, that of attorney for the assured in the largest fire loss settlement ever made in this part of the country.

Mr. Yetka practically led the fight for thousands of Minnesota property owners whose homes were destroyed in the great Cloquet forest fire of 15 years ago. As a result of his efforts to a large degree Congress has just voted upwards of \$10,000,000 to settle for these losses, and the President has signed the bill, which means that payments will begin at an early date.

It was the claim of Mr. Yetka and his clients that the disastrous fire was caused by sparks from a Great Northern Railway locomotive. This subsequently was established in court. The railroads of the country at that time were under control of the federal government as a war measure and so the fire sufferers went to Washington for relief.

**G. G. MORRIS**, 62, of the Terre Haute Insurance Agency, Terre Haute, Ind., ended his life by hanging.

## Southern States Local News

### More Premiums Are in Sight

**Tobacco in Barns and More Whisky Output of Independent Distilleries Create New Business**

LOUISVILLE, Sept. 4.—Tobacco cutting is quite active in the burley section of Kentucky, and a lot of tobacco is now going into barns, which means agents in growing sections are beginning to write leaf in barns. The hail underwriters had a very fair season, with no large losses reported.

Agents are at a loss to understand new Actuarial Bureau rulings which penalize the tobacco barn owner who uses "Salamanders," or sheet iron stoves for drying out tobacco in barns, but which allow use of heating stoves with no extra charge. Many agents have long advocated salamanders to get farmers away from using open fires.

Cooler weather should result in production of whisky in Kentucky increasing premiums and more business for the agents. Most of the new production is on the part of independent distilleries, and will not represent brokered lines. As against approximately 30 distilleries in operation or ready to go in the early summer it is predicted there will be about 40 by Dec. 1, figuring plants now under construction. A number of plants have been down part of July and many additional ones in August. September and October will find

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Equipped for Investigations and Adjustments, trial of Insurance Cases in Federal & State Courts.

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Companies represented—Travelers Ind. Co., Continental Casualty Co., Western & Southern Ind. Co. and others.  
Equipped for investigations and adjustments.

**Mason, Alexander, McCaslin & Colette**  
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**Jackson, Fitzgerald & Dalm**  
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**SHERMAN T. HANDY**  
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## GREENSFELDER & GRAND

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Special Assistant Attorney General of Missouri  
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## GEORGE B. DENT, JR.

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Investigations—Adjustments—Trial Work Associate: Harold E. Day, Jr.

**Rosewater, Mecham, Shackelford & Stoehr**

1028-40 City National Bank Building  
Omaha, Nebraska  
Investigations—Adjustments—Trial work Nebraska and Western Iowa.

# INSURANCE ATTORNEYS

• The insurance law firms whose professional cards are shown on this and the preceding pages have been selected after careful investigation. They have the recommendation and endorsement of The National Underwriter

## NEW JERSEY

**ANDREW J. WHINERY**  
744 Broad Street  
Newark, New Jersey

**Samuel M. Hollander**  
COUNSELLOR AT LAW  
Lefcourt Newark Building  
Newark, N. J.  
Investigations—Adjustments and Trial of all Insurance Cases.

**WILLIAM L. RAE**  
1 Exchange Place  
Jersey City, N. J.  
Representing Exchange Mutual, Indemnity & Ins. Co.

**BOND, SCHOENECK & KING**  
1400 State Tower Building  
Syracuse, New York  
Counsel for many Insurance Companies  
Equipped for Investigations and Adjustments in Syracuse and surrounding territory.

**LEE, LEVENE & McAVOY**  
TRIAL LAWYERS  
310 Security Mutual Bldg.  
BINGHAMTON, NEW YORK  
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**ACKERMAN, LEVET & GEILICH**  
175 Main St.  
White Plains, N. Y.  
John J. Ackerman William B. Levet  
Ralph Geilich

**Wendell P. Barker**  
52 Wall Street  
New York, New York

**ULYSSES S. THOMAS**  
719 White Building  
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**McMILLEN & MARTIN**  
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E. F. Bernard  
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**E. L. McDougal**  
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Phone Court 2265  
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(Continued next page)

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William Hanger Gilmer Johnson  
Mark McMahon B. K. Hanger  
W. D. Smith  
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Life Ins. Co. Lincoln National Life  
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E. L. Skeel Wm. Paul Ulmann  
Tom W. Holman Harry Henke, Jr.  
Frank Hunter W. E. Evanson  
Tyre H. Hollander Robert H. Grace  
Laurene Booth, Jr. SEATTLE

### RYAN, ASKREN & RYAN

Suite 1903, Northern Life Tower  
Seattle, Wash.

Counsel for Association of Life Insurance Presidents—Commercial Casualty, Metropolitan, London Guarantees & Accident and others.  
Trial all insurance cases in State and Federal Courts in Western Washington.

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many of them starting up again, if reasonable rainfall is experienced, and the weather remains seasonable.

### Grand Jury Investigation

The Fulton county grand jury in Atlanta has been looking into the county's insurance setup. It has submitted a presentation to the superior court recommending that Dr. C. R. Adams, chairman of the buildings and ground committee, confer with a committee of the Atlanta Association of Insurance Agents and that such committee be given authority to revise the present schedule of fire insurance so as to give adequate protection to the more hazardous and unprotected property.

The presentment avers that on June 1, Dr. Adams revised the county insurance schedule, increasing insurance on low rated fireproof risks to meet the 75 percent coinsurance requirement but reducing insurance on high rated hazardous risks or cutting it out entirely. This resulted in a lower average rate for the entire schedule, according to the presentment, but fire losses since June 1 have revealed great under insurance of hazardous risks.

Eugene Harrington, with other insurance men of Atlanta, were called in some time ago and a committee appointed to investigate the insurance. The findings were that too much additional insurance had been placed on the court house and on other fireproof buildings, and that the buildings of hazardous construction were inadequately covered or were covered not at all.

The grand jury recommended that the insurance be pro rated among the insurance offices, in the proportion of taxes paid by the agencies.

### Will Represent New Orleans

Alex Savage, Lawrence A. Stone and Linden F. Brand will attend the annual meeting of the National Association of Insurance Agents at Rochester, N. Y., Sept. 24-26, as representing the New Orleans Insurance Exchange.

### Sues for Kentucky Salaries

LOUISVILLE, Sept. 4.—Commissioner McKay Reed has brought suit against State Auditor Talbott for wages due insurance department workers, held back by Talbott, who recently announced that he was holding up payrolls of state employees until they signed affidavits that they had not contributed to any campaign funds and had rendered service to the state for the wages received.

### Time Clock Records Binders

The Brown & Martin Agency, Louisville, is using a time recording clock stamping machine to record time at which binders are placed on insured property, which gives an unmistakable record of the time and date at which the insurance really becomes effective, and which should in any later question prove *prima facie* evidence of the fact that the business was actually bound at the time claimed.

### Tennessee Agents' Program

At the annual meeting of the Tennessee Association of Insurance Agents in Knoxville, Oct. 17-18, W. H. Bennett, secretary of the National Association of Insurance Agents, will represent that body. Maj. H. A. Giddings of the Travelers, Insurance Commissioner J. S. Tobin, Assistant Manager F. S. Dauwalter of the Royal-L. & L. & G., and Vice-president Spencer Welton of the Massachusetts Bonding are on the program.

### Kentucky Delegation Named

Kentucky will be very well represented at the annual meeting of the National Association of Insurance Agents in Rochester, N. Y., the week of Sept. 23.

C. D. Harris, president of the Louisville Board; Martin Boedeker, vice-president; and Peyton B. Bethel, secre-

tary, will be delegates of the board. G. R. Reed, Columbia, Ky., president of the Kentucky Association of Insurance Agents; and John S. Long, the new Kentucky national councillor will represent the state body.

#### Oklahoma Approves Contract

The Oklahoma state insurance board has approved the modernized supplemental contract which has been introduced in most of the other states in the western territory.

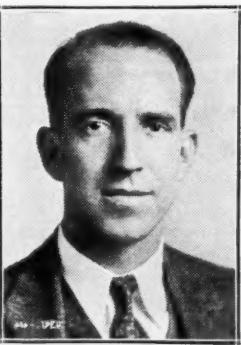
#### Mississippi Scholarships

Two more Mississippi students have received scholarships from the Yazoo-Delta Local Agents' Association. Lenna Williams and Stanley Sanders were chosen from 20 applicants to receive the annual two-year scholarships to a Harrison Mississippi junior college. Announcement of the awards was made at the meeting of the Yazoo-Delta agents, of which W. B. Flatt, Tutwiler, Miss., is president.

Six winners of these scholarships have already graduated and are teaching or otherwise employed. Last year, 44 made application for the scholarships. J. H. Johnson, Clarksdale, Harry Watson of Lexington and C. M. Davis of Moorhead, are the scholarship committee.

**J. R. Ayres, Jr.**, Petersburg, Va., attorney, has severed his legal connections to become associated with the Petersburg Insurance Company agency. This agency was formerly operated by the Petersburg Insurance Company which was taken over by the New Hampshire a few years ago.

#### Moore Succeeds Smith as Alabama Agents' Secretary



E. H. MOORE

Ed. H. Moore, vice-president of Ed. S. Moore, Inc., Birmingham, has been appointed secretary-treasurer of the Alabama Association of Insurance Agents succeeding Frank H. Smith, resigned. He is a son of Ed. S. Moore and associated in business with him is Charles L. Gandy, long active in both state and National association affairs.

Young Moore is a graduate of Wake Forest College, the University of Alabama and the Harvard graduate school of business administration. He has been in the insurance and mortgage loan business since 1927. Recently he served a term as president of the Birmingham Junior Chamber of Commerce.

with A. P. Lange of Hale Bros., Inc., one of the incorporators of the recently formed Arex Indemnity.

**H. G. Stein**, 47, of Los Angeles, southern California special agent for the Wentz & Erlin general agency, died there after a lingering illness.

#### Eastern States Activities

#### Want Forces to Join Hands

#### Philadelphia Agents and Company Committee Seek to Settle Differences in Amicable Way

PHILADELPHIA, Sept. 4.—An effort to settle differences existing between the agents here and the companies will be made by the Eastern Underwriters Association in the near future. The E. U. A. is said to have written the agents suggesting that the agents committee and the E. U. A. territorial committee get together at the end of the vacation period in a conference to talk things over in a friendly way.

The agents have a number of points which they will bring up. In view of the present situation in the business, they feel that the time is opportune to reach a close understanding and arrive at a satisfactory agreement for the betterment of the business as a whole.

Mutual and cut-rate competition is giving the companies and the agents many headaches today. The agents feel that with the E. U. A. companies and the agents working close together that this situation can be overcome.

It is also felt that the conference will take up the subject of the qualification bill which the agents sponsored at the recent session of the legislature and that a strong effort will be made to effect a compromise and work up a qualification bill to be introduced at the next session of the lawmakers in 1937.

#### State Body to Hear the Plan

#### Henry Schmid of Wilkes-Barre Will Explain the "All-in-all-out" Arrangement

PHILADELPHIA, Sept. 4.—Inability of Henry Schmid of Wilkes-Barre to attend last Thursday's meeting of the Philadelphia Association of Insurance Agents and the Insurance Society prevented the association from taking up the subject of the "all-in-all-out" plan and deciding definitely whether it would back the move at next week's annual convention of the Pennsylvania association at Pocono Manor.

It has been hoped that Mr. Schmid, who is one of the leaders in the movement to make the "all-in-all-out" rule state-wide, would explain the working of the plan in Wilkes-Barre and tell why he felt it should be adopted throughout the state. He has been leading the fight to have Philadelphia and Pittsburgh back up the Wyoming Valley agents in having the state association adopt the rule. He will bring up the "all-in-all-out" plan at Pocono Manor Sept. 12. Whether the Philadelphia agents will support him is not known at this time.

#### New Jersey Losses Low

NEWARK, Sept. 4.—New Jersey fire losses for August show a substantial decrease under last year, totaling about \$275,000, while for August, 1934, they were \$330,000.

#### Opens New Life Department

The Street Agency of Boston has opened a life insurance department as metropolitan agency of the Mutual Trust Life of Chicago. John H. Tay-

#### Elected Chairman



**TERRY L. ROSS**, Wenatchee, Wash.

Terry L. Ross of Wenatchee, Wash., has been elected chairman of the executive committee of the Washington Agents Insurance League. He is one of the stalwarts in the organization and a member of the old guard.

lor, who has been with the Mutual Trust Life the past four years, two years as assistant manager in Boston, will be in charge of the new department.



THESE are days when business-getting agents appreciate the Northwestern Fire & Marine Insurance Company. The Northwestern is quick to help an agent with practically any form of property insurance.

#### NORTHWESTERN

Fire & Marine Insurance Company

John H. Griffin, President  
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#### Reduce Insurance Rates

Recommend  
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AND SAFETY CANS  
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Approved and Inspected by the National Fire Protection Association  
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# REINSURANCE

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TRIED IT"

AND PROBABLY WE  
HAVE LEARNED HOW  
IT TURNED OUT

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IS GLADLY SHARED  
WITH INQUIRING  
UNDERWRITERS

CASUALTY LINES

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NEW YORK  
CHICAGO  
LOS ANGELES  
SAN FRANCISCO

**EMPLOYERS  
REINSURANCE  
CORPORATION**

E. G. TRIMBLE, President

# The National Underwriter

September 5, 1935

## CASUALTY AND SURETY SECTION

Page Twenty-three

### Bay State Rate to Be Increased 3½%

Tentative Proposals Under Compulsory Auto Law Are Made Public

### COMPANIES ASKED MORE

Commissioner DeCelles Explains Reasons for Various Changes He Has Recommended

BOSTON, Sept. 4.—A state-wide net increase of 3½ percent in compulsory automobile liability insurance rates for Massachusetts for 1936, which is some 10 to 15 percent lower than recommended by the insurance companies, may be expected in the schedules to be formally announced late this week, Commissioner DeCelles intimated.

Reductions in rates for Boston and vicinity will be greater than have been anticipated, and the 21 zones of the state will be probably cut to 10 or 12.

#### New Features Proposed

A tentative draft of the new schedule was to be ready to be presented to Governor Curley early this week. Included in the tentative draft are the following new proposals:

1. A 10-zone setup, four of which will be in greater Boston.

2. A graduated fee for guest coverage, ranging from \$5 in metropolitan areas to \$2 in country districts.

3. Sharp reduction in the rates for Boston and Revere, which will be zoned together.

4. "Breakage" is to be set down to the fraction of a dollar, rather than to the nearest dollar, as at present.

5. Increases of approximately 33½ percent in Burlington, Billerica and Tewksbury, and other "camp" areas in Middlesex county.

6. Territories to be fixed according to loss per car, rather than by geographical and contiguous areas.

#### Based on Five-Year Experience

The DeCelles plan of setting the rates to be tried out this year for the first time, following successive, mostly ineffectual, attempts to make legislative changes in the law, and long drawn out hearings, is based on an accident-loss experience over a period of five years, with each community classed as a separate entity. Figures for every city and town in the state were taken and classified according to the ratio of accident loss. Five classifications were then set up, based on multiples of \$10. It was found, states the commissioner, that some communities experiencing a \$7 accident loss ratio last year were forced to assume a rate borne by a neighboring community where the ratio was more than \$30. The commissioner promises

(CONTINUED ON PAGE 30)

### New Federal Act Requires Labor and Material Bonds

President Roosevelt has signed the new bill requiring material and labor bonds on all federal construction exceeding \$2,000, in addition to the regular performance bonds. The new measure replaces the old Hurd act under which the surety companies had a satisfactory experience. The Towne Rating Bureau has not yet sent out any information on the new federal law, which goes into effect in 60 days.

This is the first time that material and labor bonds have been required on strictly federal contracts. The Public Works Administration has been requiring such bonds, although the contracts arranged by the PWA are actually with the local governmental units. The PWA material and labor bond has been written at \$5 a \$1,000, based on the largest aggregate payroll for any one month. However, the PWA projects are comparatively small, so that the Towne Bureau probably will not charge as high a rate on the new bonds. The new measure is similar to that required in several states, including Michigan, Pennsylvania and California. It is probable that the Towne Bureau will prescribe the same 1½ percent premium rate on the new federal bonds as is charged for these state material and labor bonds. However, the state laws provide for a six months waiting period, while the new federal act provides for recovery after 90 days.

The new requirements probably will not affect the companies much as there will be no risk on recognized contractors, although they may have to tighten up their underwriting on others.

The full text of the new requirements covering the labor and material bonds follows:

(2) A payment bond with a surety or sureties satisfactory to such officer for the protection of all persons supplying labor and material in the prosecution of the work provided for in said contract for the use of each such person. Whenever the total amount payable by the terms of the contract shall be not more than \$1,000,000 the said payment bond shall be in a sum of one-half the total amount payable by the terms of the contract. Whenever the total amount payable by the terms of the contract shall be more than \$1,000,000 and not more than \$5,000,000, the said payment bond shall be in a sum of 40 per centum of the total amount payable by the terms of the contract. Whenever the total amount payable by the terms of the contract shall be more than \$5,000,000 the said payment bond shall be in the sum of \$2,500,000.

(b) The contracting officer in respect of any contract is authorized to waive the requirement of a performance bond and payment bond for so much of the work under such contract as is to be performed in a foreign country if he finds that it is impracticable for the contractor to furnish such bonds.

(c) Nothing in this section shall be construed to limit the authority of any contracting officer to require a performance bond or other security in addition to those, or in cases other than the cases specified in subsection (a) of this section.

Section 2. (a) Every person who has furnished labor or material in the prose-

cution of the work provided for in such contract, in respect of which a payment bond is furnished under this act and who has not been paid in full therefor before the expiration of a period of 90 days after the day on which the last of the labor was done or performed by him or material was furnished or supplied by him for which such claim is made, shall have the right to sue on such payment bond for the amount, or the balance thereof, unpaid at the time of institution of such suit and to prosecute said action to final execution and judgment for the sum or sums justly due him: Provided, however, That any person having direct contractual relationship with a subcontractor, but no contractual relationship express or implied with the contractor furnishing said payment bond shall have a right of action upon the said payment bond upon giving written notice to said contractor within 90 days from the date on which such person did or performed the last of the labor or furnished or supplied the last of the material for which such claim is made, stating with substantial accuracy the amount claimed and the name of the party to whom the material was furnished or supplied or for whom the labor was done or performed. Such notice shall be served by mailing the same by registered mail, postage prepaid, in an envelope addressed to the contractor at any place he maintains an office or conducts his business, or his residence, or in any manner in which the United States marshal of the district in which the public improvement is situated is authorized by law to serve summons.

### Claim Chief



W. I. MORROW, Hartford

W. I. Morrow, assistant secretary of the Aetna Life, who is president of the International Claim Association, will preside over the annual meeting of that organization's annual meeting next week at White Sulphur Springs. He is head of his company's accident and health claim department.

### Claim Meeting Is On for Next Week

W. I. Morrow of the Aetna Life Will Preside Over the Sessions

### FEATURES OF PROGRAM

Number of Interesting Papers Will Be Presented at the White Sulphur Springs Conclave

HARTFORD, CONN., Sept. 4.—A large attendance is expected at the annual meeting of the International Claim Association which will open at White Sulphur Springs Monday, President W. I. Morrow reports. He is assistant secretary of the Aetna Life at its head office here.

The meeting will open with an address by H. G. Kump, governor of West Virginia. Richard Rust, secretary of the Union Central Life of Cincinnati, will read a paper on "Building Good Will Through the Claim Department." Dr. G. E. Woodford of the Home Life of New York will lead a discussion on "Detached Retina."

#### Cost of Unemployment Relief

Chester I. Bernard, president of the New Jersey Bell Telephone Company and chairman of the relief council for New Jersey, will talk on "The Cost of Insuring Unemployment Relief." Dr. Newdigate M. Owensby of Atlanta will read a paper on "The Value of Psychiatric Medicine to the Claim Adjuster." Daniel J. Reidy of the Guardian Life of New York will talk on "Payments Where Insured Are Suffering from Various Degrees of Mental Disorders."

#### Prizes Will Be Awarded

Unusual prizes have been purchased for the men's golf tournament and very special prizes for the ladies' bridge tournament to be held Tuesday afternoon. The annual banquet Tuesday evening will be preceded by a reception in the president's suite. The program committee is withholding an unusual feature of the convention, which the president thinks will be an address by some distinguished person. Most of the clan is expected to arrive at the hotel Sunday. A special train will leave Chicago with the western delegates.

#### Companies Withdraw

CHARLESTON, W. VA., Sept. 4.—Due to the claim mindedness of the public and the liberal judgments awarded automobile accident claimants, a number of the larger companies have withdrawn from Mingo, McDowell and Logan counties in West Virginia. Agents here feel that the increase in such claims will eventually mean higher insurance rates and raise the question of a state automobile insurance fund.

## Minnesota Safety Meeting Gets Insurance Support

### HALL STIRRING UP SENTIMENT

Will Take Up Subjects That Have a Bearing on Reducing the Automobile Accidents

ST. PAUL, Sept. 4.—The Minnesota public safety committee will hold a meeting in this city Sept. 17-18 in order to consider subjects pertaining to automobile accidents. This committee is composed of representatives of different sections of the state. A. V. Rohweder, superintendent of safety of the Duluth, Messabi & Northern railway, is chairman of the committee, he having been appointed by Governor Olson. C. H. Zealand of St. Paul is director. In addition to the Minnesota movement there will be delegates present from surrounding states and from Manitoba and Ontario.

The local agents seemingly have taken no part in this movement but at the annual meeting of the Minnesota Association of Insurance Agents, J. Dillard Hall of Chicago, manager of the United States Fidelity & Guaranty, urged that the insurance men take an active part and join in the enterprise. A resolution was passed to this end. Mr. Hall before going to the meeting talked with Director C. H. Zealand in St. Paul and later went to Duluth to have a conference with Mr. Rohweder.

W. W. Harris, chairman of the Liverpool Underwriters Association, has been appointed a member of the Merchant Shipping Advisory Committee.

### Empire Life & Accident Head Is Taken by Death



CHARLES S. DRAKE

Charles S. Drake, president and founder of the Empire Life & Accident, died Sunday at his home in Indianapolis after four weeks' illness. Born in Dallas, Ga., in 1873, he early entered the insurance business. He was with the Industrial Life & Health of Georgia from 1895 to 1901. He organized the Kentucky Central Life & Accident, of which he was secretary-treasurer until 1908, when he went to Indianapolis and, with his brother, James M. Drake, organized the Empire Life & Accident, serving as its president until his death. He had been active for many years in the Health & Accident Underwriters Conference and at the time of his death was chairman of the executive committee of the Industrial Insurers Conference. He suffered a breakdown four weeks ago up to which time he had been active in the performance of his duties.

## When Company Takes Charge of Investigation and Defense

Robert L. Webb of Topeka, Kan., in his talk before the International Association of Insurance Counsel at White Sulphur Springs, discussed the liability of an insurance company when it takes full charge of the investigation and defense. His conclusions were as follows:

When the insurance company takes full charge of the investigation and the defense of the claim:

It may waive any breach of the policy on the part of the assured if it acts in a manner inconsistent with the insistence that the policy has become forfeited. This waiver is an all sweeping one which inures to the benefit of the injured party and, depending upon the local statute, gives the injured party the right to proceed in some manner directly against the insurance company.

#### Does Not Waive Any Right

The insurer does not waive any right of defense based upon facts of which it has no knowledge if it has acted in good faith and has used at least ordinary care and diligence in ascertaining the facts. It may rely upon statements made by the assured unless it has reason to believe the facts to be other-

wise, but where it has information sufficient to put it upon inquiry, it is charged with knowing all of those facts which it could have learned by resorting to inquiry.

#### Must Assert Its Position

The company may reserve to itself all of the rights contained within the contract, but this must be done with definiteness and certainty. It cannot rely upon a reservation of rights to which the assured expressly refuses to agree; and it must promptly assert its position when it learns the facts.

It does not have the general duty to compromise; but it does have the duty to act with good faith and reasonable judgment with respect to settlement within the policy limits. Where there is a clear liability on the assured, the company's refusal to effect a compromise must be made in good faith and upon reasonable grounds for the belief that the amount required for settlement is excessive.

Lastly, the insurance company must see to it that every proper defense is made, and must conduct the defense with the same kind of care which it would exercise if the entire liability were its own.

### Lack of New Businesses Curtails Fidelity Market

One reason that is ascribed for lack of greater increase in the sale of new fidelity business these days is the fact that so few new businesses are being started. Fidelity producers find that the best prospects for fidelity coverage are newly organized concerns that are in the mood to make initial expenditures and can be swayed by a good argument. Furthermore, new concerns know that they must build an organization and the possibility of some of the new help being dishonest can be suggested without the embarrassment that sometimes arises by suggesting to going concerns that some of their employees might cause a loss. The older concerns that have gone along for years without a dishonesty loss, are poorer prospects for fidelity coverage. The

### Cary, Fitzsimmons Safety Awards to Be Presented

DETROIT, Sept. 4.—Trophies and certificates will be awarded to industrial concerns with outstanding safety records at a meeting of the Detroit Industrial Safety Council Oct. 22. During the first six months the frequency of accidents was reduced 12.8 percent in the city and the severity rate 14.3 percent. Trophies are donated by W. B. Cary, president Michigan Insurance Agency, and for traffic safety among fleet owners by P. W. A. Fitzsimmons, president Michigan Mutual Liability.

prospect must be cultivated for some time and the subject discussed frequently before a sale is made or there is any indication of progress to that end.

## Six Months Figures Reported

(From Georgia Insurance Department Records)

	Capital	Assets	Surplus	6 Mos. Income	6 Mos. Disburs.
Allstate	350,000	2,151,075	674,565	368,218	4,193,622
American Automobile	1,000,000	12,630,540	3,011,810	5,551,581	215,779
Amer. Bonding	1,000,000	1,737,391	479,073	282,058	2,398,912
Amer. Fid. & Cas.	258,000	1,470,616	589,542	990,664	924,645
Ben. Ry. Employ., Ill.	1,930,217	1,214,918	1,278,695	1,305,229	1,645,232
Central Surety	1,000,000	4,639,504	802,584	1,820,515	3,741,661
Commercial Casualty	1,000,000	9,544,295	859,913	3,901,962	8,782,635
Continental Cas.	1,750,000	22,898,492	2,487,829	8,653,172	7,636,241
Eagle Indem.	1,000,000	6,969,771	1,000,000	1,625,435	1,893,766
Employers Reins.	1,500,000	11,052,539	1,500,000	3,327,070	2,668,541
Federal Life & Cas., Mich.	450,000	789,015	125,443	390,869	374,822
Fidelity Casualty	2,250,000	37,413,029	5,703,029	13,605,661	11,985,244
Fidelity & Deposit	2,400,000	18,462,197	2,816,563	5,729,701	5,053,404
Fireman's Fund Indem.	1,000,000	7,617,925	1,945,595	2,363,190	2,017,210
Globe Indemnity	2,500,000	32,797,665	5,000,000	8,781,014	8,782,635
Great Amer. Indem.	750,000	11,622,850	2,409,586	4,717,576	3,807,562
Home Indemnity	1,050,000	4,993,056	1,025,203	1,257,108	1,157,973
Inter-Ocean	100,000	447,809	82,402	578,369	599,649
London Guar. & Acci.	800,000	14,180,343	3,814,465	4,003,753	4,112,906
Maryland Casualty	2,792,595	36,179,347	2,364,882	13,196,731	12,569,504
Mass. Bonding	2,000,000	16,658,714	1,574,297	8,081,149	6,538,004
Mercer Casualty	250,000	808,336	150,587	230,433	213,417
Metropolitan Casualty	1,000,000	9,033,869	502,965	3,225,400	3,626,622
National Acci. & Health	150,000	389,885	145,473	262,645	253,248
National Casualty	750,000	3,164,583	733,622	1,380,988	1,093,015
Ocean Accident	800,000	17,157,810	3,151,151	6,328,710	5,917,699
Phoenix Indemnity	600,000	5,745,773	1,685,687	1,872,268	1,629,776
Preferred Accident	875,000	7,084,493	1,212,427	2,278,181	1,816,826
Standard Acci.	1,456,680	17,324,469	1,350,000	6,763,395	6,841,840
St. Paul-Mercury Indem.	1,000,000	5,092,126	1,157,173	1,772,559	1,295,969
Travelers Indem.	3,000,000	23,453,795	6,062,520	5,945,315	4,943,114
U. S. F. & G.	2,800,000	43,444,721	5,175,253	17,004,208	16,040,018
Zurich	21,745,342	1,500,000	6,849,143	5,293,201	445,566
			MUTUAL		
Amer. Mut. Llab.	21,795,518	3,845,192	8,575,148	7,200,763	
Central Mutual, Ill.	980,211	140,085	685,919	583,861	
Hardware Mut. Cas., Wis.	7,379,654	1,276,940	4,494,121	3,431,116	
Liberty Mut., Mass.	34,508,025	4,881,348	15,962,846	11,422,936	
Shelby Mut. Pl. Gl.	1,113,430	425,310	489,935	445,566	

### Aetna Life Training Plan Has Been Highly Successful

#### OPERATED FOR THREE YEARS

Many Excellent Insurance Salesmen Have Gone Through the School Since It Started

HARTFORD, Sept. 4.—The Aetna Life insurance school is just closing its third year. The testing period for this school is considered to be over as 81 percent of those who have gone through the school are successful insurance men. In the three years, 800 men have gone through the school from virtually every state. The school starting in September is now turning down applications as accommodations will be taxed to take care of those already accepted. It started originally as a casualty school but now takes in fire and life also. A principal purpose is to fit the student to make a living from the first day, to develop a professional attitude toward the insurance business on the part of the agent himself and to inculcate a strict sense of the value of an insurance man's time as a solicitor. Rigid time control methods plus a knowledge of the business go to the heart of the Aetna Life school system.

#### Seeks "Detective" Outfit

The Kentucky department is on the trail of self-styled private detectives representing the "International Detective Bureau of America." The location of the bureau seems to be unstable as it has been chased down from time to time to Paducah, Ky.; Marion, Ky.; Evansville, Ind.; Metropolis, Ill., and Bellevue, Ill., and various points in Tennessee. Claude Prewitt seems to be the chief operator. Small towns are visited and insurance against burglary, theft and cold checks is sold to merchants. A registration fee of \$2 and a monthly fee of 50 cents are charged. The bureau promises to post rewards of \$1,000 in case of theft and to pay claims up to \$500.

#### To Discuss New Agents Law

Raymond Rhoads of the Ohio insurance department will address the fall meeting of the Ohio Association of Casualty & Surety Underwriters in Cincinnati Sept. 10, on the department's new agent requirements and examinations.

#### Wisconsin Counties May Insure

MILWAUKEE, Sept. 4.—Under an act passed by the legislature and signed by the governor, county boards are given legal power to provide by ordinance that the county shall carry public liability and property damage insurance, either in commercial companies or by self-insurance created by setting up an annual fund for such purpose, covering motor vehicles, malfeasance of professional employees, maintenance and operation of county highways, county parks, parkways or airports, and any other county activities involving possible damage to the general public.

#### Business Booms in Middletown

A survey of agencies in Middletown, O., population 30,000, shows that since the Ohio financial responsibility law went into effect Aug. 20, business has increased 90 to 200 per cent. There have been 615 new policies written because of the new law.

#### H. E. Berger Joins the Zurich

H. E. Berger has joined the underwriting staff of the Zurich at the head office in Chicago. He has been a casualty underwriter for the Continental Casualty for three years.

## Insurance Counsel Hold Annual Meet

Governor Kump Welcomes 200 Lawyers at White Sulphur Springs

### CLOSER CONTACT IS URGED

Many Subjects Covered—Association in Strong Position—Stress Importance of Insurance

At the annual meeting of the International Association of Insurance Counsel J. Roy Dickie of Pittsburgh was elected president. John A. Millener of Rochester, N. Y., one of the founders of the organization, and who at one time was its president and since then its secretary and treasurer, announced that he would not be a candidate for reelection. Richard B. Montgomery, Jr., of New Orleans, was chosen secretary. It was decided to divide the official duties so Harvey E. White of Norfolk, Va., was chosen treasurer. George L. Naught of the American Surety's head office; Joseph B. Murphy of Syracuse, N. Y., and Gerald P. Hayes of Milwaukee were elected vice-presidents. On the executive committee were chosen Milo H. Crawford, Detroit; Miller Manier of Nashville and R. N. Knepper of Columbus, O. W. R. Mayne of St. Louis is a member of the committee ex-officio, he being the retiring president.

Nearly 200 members were present when the gavel fell at the annual convention of the International Association of Insurance Counsel at White Sulphur Springs, W. Va. The address of welcome was made by Governor H. G. Kump of West Virginia. Frank C. Haymond, president of the West Virginia Bar Association, also welcomed the members, saying that he was particularly glad to welcome the lawyers engaged in the insurance business on this the 100th anniversary of the death of the great chief justice, John Marshall. Lawyers should dedicate themselves at this time to the defense of the constitution.

John S. Leahy of St. Louis, who was to have made the response on behalf of the association, was unable to be present and his address was read by Wayne Ely of St. Louis. Mr. Leahy stated that the association members were gathered together to discuss the problems of insurance, a branch which has become one of the most important factors in the commerce and business of the nation. It is their purpose to make crime difficult of achievement. If possible they are to find additional ways to insure the speedy payment of all proper losses and to make more difficult successful fraud. The association also hopes to arouse the executives of all the states to an appreciation that insurance is the most important and best regulated industry of the nation.

#### President Wayne Looks Forward

President Walter R. Wayne entitled his address as president of the association, "Looking Forward." "If the purposes of the association are to bring us into closer contact, to assist us in becoming more efficient in the practice of insurance law, to aid and protect the interests of insurance generally," said the speaker, "then we should not appeal to the members in vain in proposing that they look into the future for the purpose of bringing about a closer union, a better coordination between insurance

(CONTINUED ON PAGE 20)

### Fireman's Fund Indemnity Sponsoring a New Picture

The Fireman's Fund Indemnity is sponsoring a new talking motion picture, "Remember Jimmy," the preview of which is scheduled in Chicago and other points some time this month. The film was made for the Fireman's Fund Indemnity under the direction of a Hollywood producer and acted by professionals. It is a graphic presentation of the traffic problem from a new angle. Many of the films heretofore appearing have appealed to reason by showing statistics and causes of accidents. The Fireman's Fund Indemnity has taken a new tack and makes a direct appeal to the emotions.

#### Story of the Picture

The story of this film centers about a journey that a young family is taking in an automobile to the home of the grandparents of 10 year old Jimmy, where a family reunion is to be held. Jimmy is greatly interested in playing football. The dramatic and tragic part comes in an automobile accident caused by a young man in another car, who usually courteous and thoughtful, becomes a road menace once he takes the wheel. The story unfolds the physical suffering, heartaches, deprivations and tragic economic effect on this family. The slogan of the picture is, "The next time you are tempted to step on the gas or take a chance, just remember Jimmy."

The work print was run off in San Francisco some days ago. Officials of the Fireman's Fund Indemnity witnessed the picture and were highly pleased. It is in no way an advertising film. As the available number of prints is limited the company expects to rely very largely on commercial showings in regular theatres to be arranged by police and traffic officials. There will also be prints for use in schools, conventions, lodges, etc.

### Large Oil Companies Will Cooperate in Traffic Plan

NEW YORK, Sept. 4.—The National Bureau of Casualty & Surety Underwriters and eight large oil companies are cooperating with the New York City police in an automobile safety poster campaign this week. Posters will be displayed in 2,100 retail stations of the Gulf Refining, Richfield Oil, Shell, Eastern Petroleum, Sinclair Refining, Standard Oil of New Jersey, Standard Oil of New York, Sun Oil and Texas Petroleum. Four six-color posters will be used in all, a new one each month.

A determined effort will be put forth to reduce the number of automobile accidents which has assumed alarming proportions.

#### Residential Burglaries Up

DETROIT, Sept. 4.—Detroit insurance interests are concerned over the increase in residential burglaries. From Jan. 1 to Aug. 27 1,009 residences in the city were broken into and entered as compared with 812 during the same period of 1934, an increase of 24 percent. Burglaries of business places, however, declined from 1,140 last year to 811, a drop of 29 percent. Other major crimes declined, holdups from 485 to 407, robberies not armed dropped from 186 to 127 and auto thefts reported to police from 2,461 to 2,303.

#### Insurance Men at Safety Meet

NEWARK, Sept. 4.—Leon A. Watson, rating expert, Schedule Rating Office of New Jersey; G. D. Newton, Travelers; W. M. Graff, National Bureau of Casualty & Surety Underwriters; John J. Stahl, deputy commissioner New Jersey workmen's compensation bureau and J. J. Toohey, Jr., head of the compensation bureau, will be among the speakers at the New Jersey Safety Conference Sept. 11-12.

## Contends Danger of Missouri Lawyers' Move Not Realized

The Kansas branch manager of one of the casualty companies, who desires not to be otherwise identified, makes the following observations in connection with the project of the Missouri lawyers to prevent lay adjusters from handling and settling insurance claims in the state:

"The writer has been very much surprised at the apparent indifference of insurance company executives regarding the recent action of the Missouri Bar Association and the Missouri supreme court in ruling that none but lawyers admitted to practice in the Missouri courts have the right to settle claims, take releases, etc., in that state. This seems to us to be a matter of vital importance, not only to insurance executives, but also to the local agents and to the policyholders.

#### Direct Frontal Attack

"It is a direct frontal attack and encroachment by the attorneys upon the insurance business. It accomplishes by law what the lawyers as individuals and on their merits alone could not do. They have stifled competition by legislation which would put to shame the most rabid union labor leader in the country. Since the Missouri decision the matter was discussed at the California convention of the American Bar Association, and no doubt similar attempts will be made to place the adjusting business in the hands of the lawyers in other states. This is the thing which must be met with organized opposition.

"The average attorney is totally unfitted to do the work of an insurance claim adjuster. Some of them are too dignified to get out on the job early or late, some are too ignorant, and some are just plain lazy.

"The first impulse of the independent or company adjuster when a claim is referred to him is to immediately get

on the job and render service to the agent and to the policyholder. The actual practice in effect in a majority of the law offices in our country when a claim is referred to an attorney, is for that gentleman to have his office girl call up the interested parties and the witnesses and request them to come into his office to see him. We do not believe that the local agents will stand for that sort of service.

"Consider the helplessness of the average attorney in trying to discuss and settle a claim where a garage repair foreman was in the discussion and which had reference to a damaged automobile. The average attorney knows nothing about repair or replacement cost and would be an easy victim for a clever garage man.

#### Collusion Is Alleged

"There are known instances where attorneys have been handling claims for insurance companies and where such attorneys would advise a fellow attorney of the case so that the second attorney could obtain a fee from the injured claimant and finally work the matter into litigation, thereby increasing the fee of the first attorney.

"There is serious doubt as to whether the insurance companies want their money spent in that way, or if the local agents will be satisfied with the adjusting service which can be rendered by members of the legal profession. There are many high grade law firms representing insurance companies who will not support a further extention of the Missouri idea if they are made to appreciate their insurance company connections, but it appears that it will require the combined political efforts of these law firms and of the local agents throughout the country if the Missouri idea is not to be extended over the country."

### Urge Driver's License Bill Be in Call for Legislature

People in Illinois who are very much interested in traffic safety are urging Governor Horner to include the driver's license bill in his call for a special session of the legislature in Illinois this fall. The driver's license bill had strong support and was on its way to passage when at the request of the leaders it was held back so that other legislation of a more pressing nature might be passed. Those who have given the subject profound thought all agree that a driver's license bill is essential in the program for greater traffic safety.

#### Has Traffic Control System

B. K. Campbell, Seattle manager National Bureau of Casualty & Surety Underwriters, has outlined a system of traffic and safety councils for every city in the state with a population of 10,000 or over. He believes that insurance agents should be the "key men" in the whole picture of accident prevention and that by their united efforts they can prevent 90 percent of the accidents caused by motor vehicles.

#### Travelers Mutual Meet

DES MOINES, Sept. 4.—The annual convention of general agents and field men of the Travelers Mutual Casualty of Des Moines was held here. Company and general insurance problems were discussed. Talks were given by Clifford DePuy, insurance magazine publisher, and Caspar Schenk, attorney, both of Des Moines. About 75 agents attended. George Olmsted, president, presided.

### Connecticut Commission to Study Responsibility Laws

HARTFORD, Sept. 4.—The Connecticut commission to study financial responsibility acts is now holding hearings each Monday. John C. Blackall, commissioner of insurance, is secretary. The chairman is F. P. McEvoy, judge of the superior court in Waterbury. The commission has already had discussion with other insurance commissioners, motor vehicle commissioners, insurance interests, heavy transportation representatives and attorneys. At the meeting Sept. 9, newspaper editors are to be heard. A special effort will be made to determine accurately Connecticut losses due to automobiles during the past four or five years. The commission is to report in September, 1936.

#### Defeat Auto Bills

MADISON, WIS., Sept. 4.—The Wisconsin assembly defeated the Clancy bill passed by the senate which would have required all new drivers to pass a drivers' license examination and a physical test if deemed necessary by local officials. Bills to require compulsory automobile insurance, to set up a state automobile liability insurance fund, to set definite speed limits and similar safety measures have been defeated.

The special legislative interim committee of the 1933 legislature has filed its report with the present session on its investigation of the automobile accident situation in Wisconsin. Motor accidents have caused 8,238 deaths in Wisconsin since 1912. Deaths from auto accidents during the first five months of this year were 18.3 per 100,000 in Wisconsin, as compared to 17.1 a year ago.

## ACCIDENT AND HEALTH FIELD

### "Hoodoo Day" to Set Record

**At Least 15,000 Insurance Men Representing Over 100 Companies in Campaign on Friday, Sept. 13**

Over 15,000 insurance men representing more than 100 companies writing accident and health insurance will participate in National Hoodoo Day, originated and sponsored by The Accident & Health Review, for the second time next week on Friday, Sept. 13.

This army of agents from coast to coast, working in large cities and small hamlets, will tell the story of income protection to more than 250,000 people. The second National Hoodoo Day will be the greatest one-day drive in the history of the insurance business. Never before has it been possible to unite so many agents from so many different companies, all working toward the same end—to sell 13 accident and health applications on Friday, the 13th, and break the jinx.

There will be great honor for those

agents who sell 13 on the 13th. Membership in the Black Cat Club, the world's most exclusive accident and health organization, will be extended to these outstanding producers of accident and health insurance. Last year 99 agents qualified for membership in this honor organization. This year it is expected the membership will be materially increased.

### Canadian Changes Proposed

#### Special Committee of Superintendents' Association Presents Its Report at Annual Meeting

The report of the special committee on accident and sickness insurance legislation, presented at the annual meeting of Canadian insurance superintendents by Superintendent Charles Heath of Manitoba, made no definite recommendations but cited several points on which existing laws might well be clarified. It was suggested in the first place that the statutory conditions, corresponding

to the standard provisions in this country, should be carefully considered and after deciding what, if any, amendments are necessary, the right to vary statutory conditions should be rescinded.

Reference was made particularly to condition 17, which provides that claims shall be paid within 60 days, and No. 21, which provides that action against an insurer must be commenced within one year. In the original draft of the statutory conditions 30 days were allowed for payment of claim and two years for bringing court action. On the first point it was argued that in some places in western Canada where there is only one mail a week, or in some cases one in two weeks, the insurer needed more time to investigate the reasonableness of a claim, hence the change to 60 days. It was also contended that an assured should know within one year whether it was necessary to bring court action and not leave an unknown liability hanging over the insurer for two years. The committee said it should be decided whether the time in the first case should be 30 or 60 days and in the latter, one year or two years.

The second question raised concerns the provision for payment of doctor bills for operations. Some insurers have claimed that this covers only the actual operation, excluding subsequent medical

attention. It is stated, however, that many doctors say they cannot disassociate necessary medical attention from the actual operation and their charge for an operation includes necessary attention. The committee urges that some language be adopted which definitely states what will be paid in that connection. It is also suggested that some of the provisions for optional benefits require clarifying.

Especial attention is also given to the house confinement provision. The committee says that in some cases where the illness is protracted and resists ordinary treatment, "such a provision strictly enforced to the letter of the contract is not only not satisfactory but is ridiculous." It cites particularly the treatment of a malignant case of colitis, where to complete the cure the doctor orders sunshine, exercise and change of surroundings. It declares that if held to the strict letter of the contract the assured could not possibly have recovered, to the disadvantage of both the insurer and the assured.

### Mutual Benefit's New Form

The Mutual Benefit Health & Accident of Omaha has issued a new form known as its "Triple Coverage Emergency Policy" which is an accident and sickness medical reimbursement contract. It has principal sum provisions for loss of life and sight. The contract pays \$3 per day, hospital indemnities for total of 60 days with a \$10 operating room reimbursement provision, \$5 anesthesia reimbursement, \$3 x-ray reimbursement, and laboratory, \$1.50.

The schedule of operations pays stated amounts for 62 specified operations. The policy is in force 15 days from its date except for tuberculosis, heart trouble and hernia benefits which are covered only if originating after the policy has been in continuous force for six preceding months. The quarterly premiums are \$4 except first, which is \$5. The contract is sold to men and women. This company has not issued a reimbursement contract heretofore.

### Glens Falls Indemnity Form

The Glens Falls Indemnity has issued its new "Fixed Indemnity Accident Policy" which pays principal sum for loss of life, both hands, both feet, sight of both eyes, either hand or foot and sight of one eye with one-half principal sum for loss of one hand or foot, one-third principal sum for loss of one eye, and one-fourth principal sum for loss of thumb and index finger of either hand. Special indemnities are paid for fixed sums specified for 23 named losses, dislocations and fractures. The contract also pays double benefits and has air travel benefits provision and identification allowance.

### Travelers New Policy

The Travelers has issued a new accident policy Form-R (7) with provisions that are the same as its "Modern Accident Policy Form-R (1)" except that it does not have payment for partial disability or double indemnity provision. Rates for \$25 weekly indemnity and \$500 reimbursement range from \$22.25 to \$42.25. This coverage was formerly issued by means of attaching a rider to its Form-R (1) but the issuance of new contract eliminated the necessity of using the rider.

### Takes Over Two Companies

Commissioner Read of Oklahoma has approved contracts by which the Republic Life of Oklahoma City assumes all assets, liabilities and outstanding business of the Duncan Life & Accident, of Duncan, Okla., and the Altus Life & Accident, Altus, Okla.

### New Amsterdam Revises Policy

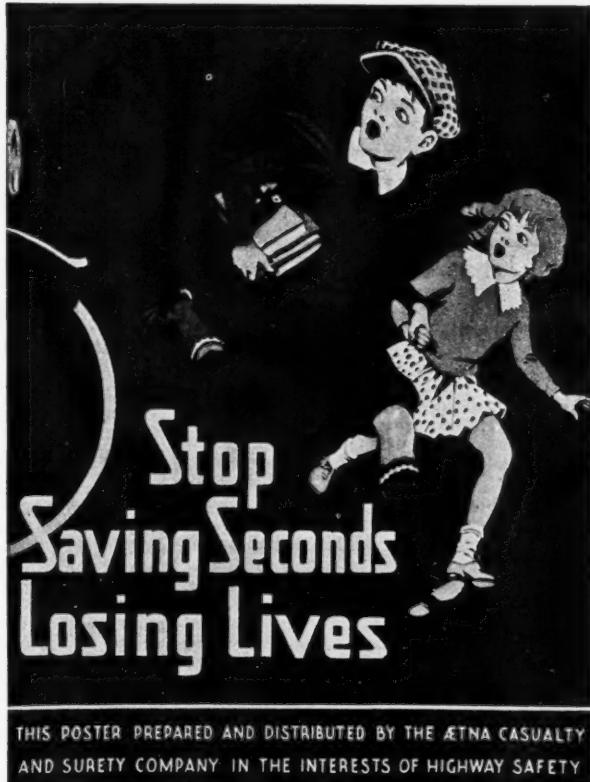
The New Amsterdam Casualty has revised its death and dismemberment policy, eliminating the surgical indemnities clause and in its place inserting a surgical operations provision according to schedule. No changes have been made in rates.

**Conscientious in its conception of its obligations to agents and policyholders for fair dealing; rendering efficient service and dependable protection; the Bankers Indemnity enjoys favorable, nation-wide recognition.**

**BANKERS INDEMNITY  
INSURANCE COMPANY**

**Newark, New Jersey**

*One of the American Group*



**What Are  
YOU doing  
about it?**

**A**UTOMOBILE fatalities and injuries continue to mount alarmingly. Something *must* be done to curb careless driving.

Ætna representatives throughout the country are co-operating with local authorities in an endeavor to make the public highway safety minded.

By arranging for showings of Ætna's highway safety film, "SAVING SECONDS," by displaying posters like the one pictured above and through the distribution of booklets and other printed matter, Ætna agents are making a valuable contribution to a cause of vital importance.



**Get In Back Of The Highway Safety Movement!**

**THE AETNA CASUALTY & SURETY COMPANY**

THE AETNA LIFE INSURANCE COMPANY — THE STANDARD FIRE INSURANCE COMPANY  
THE AUTOMOBILE INSURANCE COMPANY OF HARTFORD, CONNECTICUT

## WORKMEN'S COMPENSATION

### State Monopolistic Funds Are Criticised by Hodges

State monopoly fund laws are criticized by C. E. Hodges, Jr., executive vice-president American Mutual Liability, in that company's house organ. Proponents of monopolistic insurance shut their eyes to the financial and administrative records of monopolistic state funds and claim large savings in cost over private insurance and a reduction in administrative costs. Figures of the United States Chamber of Commerce prove that it is not in accordance with the facts. Those who claim a saving for state funds do not take into account subsidies and general expense payments made from general taxation, including exemption from taxes, allocation of parts of the expenses to other departments of government and inadequate appropriation for such necessary services as claim adjustments, pay-roll audits, safety inspections, etc.

#### Don't Give Adequate Service

Regardless of the cost, the state funds do not give adequate services as evidenced by the formation of service organizations, notably in Ohio to provide the employer with needed services he would receive from a private insurance carrier but does not receive from the state fund. Thus the employer finds a further increase in the cost of state insurance, said Mr. Hodges. An important question in considering state fund insurance is whether the employer receives what he pays for in the way of prompt and efficient claim service to injured employees, proper treatment of injured workmen, effective accident prevention service and equitable distribu-

tion costs between different industries and employers.

The monopolistic fund represents to employers an excursion of the government into private business which can be retraced only with the greatest difficulty. The compensation business is conducted by private carriers under strict supervision of the state laws with the interest of both workmen and employer safeguarded.

#### Can't Exclude Relief Workers

OMAHA, Sept. 4.—The Nebraska compensation court will not approve compensation insurance contracts carrying a rider excluding relief workers, Frank M. Coffee, presiding judge, has ruled. He says the state law plainly means to bestow the benefits on all workers equally. The state insurance department concurred in the ruling but admitted it might cause some companies to withdraw from the business of writing contracts that involved relief workers.

#### Compensation Premiums Gain

NEWARK, Sept. 4.—New Jersey compensation premiums for the year ending June 30, according to the Compensation Rating & Inspection Bureau, totaled \$13,006,330, showing a gain of \$1,011,000.

#### Labor Blasts State Fund

The Ohio Federation of Labor has adopted a resolution blasting the present administration of the compensation law and requesting the governor to include the matter of enforcing the law in his call for a special session of the legislature this fall. "There is no excuse," the resolution asserts, "for a division of the state government with so sacred a

responsibility as that of the welfare of the workers being so feebly administered as to permit the state to be swindled out of millions of dollars through indifference and neglect."

#### South Carolina Office Opened

The South Carolina Compensation Rating Bureau has been formed to function under the new workmen's compensation law at Columbia, S. C. S. C. Southard from the National Council on Compensation Insurance is in charge of the bureau.

## PERSONALS

E. P. (Colonel) Boggess, vice-president American Life & Accident of St. Louis, on August 17 was married to Miss Flora M. Gibson of his city.

R. E. Cline, surety manager of the Aetna Casualty in Chicago, is seriously ill in the Lake View Hospital in Chicago. He has been away from the office for two weeks and was taken to the hospital last Friday for a blood transfusion made necessary by a kidney complication.

President Isaac Miller Hamilton of the Federal Life of Chicago will celebrate his birthday anniversary Friday, he reaching the age of 71. He has been head of the Federal Life since it was organized 33 years ago. President Hamilton is one of the organizers of the American Life Convention and served as its president. He was one of the organizers of the Health & Accident Underwriters Conference and was president for two terms. The Federal Life at first wrote only life insurance but later established an accident and health department. One of the features of its work has been its connection with the Chicago "Tribune" where it furnishes

a newspaper accident policy to its readers.

John C. Davidson, Milwaukee, Wisconsin special agent Glen Falls Indemnity, and Miss Suzanne Grabill were married at the home of the bride's parents at Fort Atkinson. The bride's father performed the ceremony.

P. B. Griswold, assistant secretary of the Aetna Life, in its accident and liability department, and of the Aetna Casualty, has completed 35 years with the organization. He started in 1900 as a mail boy and later was transferred to the accident and health underwriting department where he remained for ten years. He later became traveling representative of the accounts department and today he is head of that department.

### Large Economic Loss in Industrial Accidents Seen

NEW YORK, Sept. 4.—Some conception of the economic loss suffered through accidental deaths and injuries of employees in industrial plants is had when it is noted that within the past 10 years the casualty companies alone disbursed \$1,002,890,000 in claim payments; over \$106,000,000 having been paid in 1934. These figures do not take into account the huge sums paid by the life or the accident companies. The money disbursed by the casualty companies within the past decade, the Fidelity & Casualty points out, would have sufficed to keep 60,000 men continuously employed at \$30 a week each for the entire period; or to have supported 1,285 persons on a \$15 a week basis for 12 months. Largely as a result of the intelligently directed safety program compensation claim payments in 1934 aggregated less by \$18,000,000 than those of the preceding year; the figures being \$106,000,000 and \$124,000,000 respectively.

*Casualty, Fidelity and Surety Reinsurance*

# GENERAL REINSURANCE CORPORATION

90 JOHN STREET, NEW YORK • 200 BUSH STREET, SAN FRANCISCO

E. H. BOLES, President • W. W. GREENE, Vice-President and Secretary • E. A. EVANS, Vice-President • ROBERT B. CROFTON, Vice-President

*Condensed Financial Statement, June 30, 1935*

#### Assets

Cash in Banks and Offices.....	\$ 667,907.46
<b>Investments:</b>	
Bonds.....	\$ 4,511,509.58
Preferred Stocks.....	552,081.25
Common Stocks.....	2,483,389.00
North Star Insurance Co. Stock.....	970,131.98
Mortgages.....	250,200.00
Real Estate.....	325,500.00
	9,092,811.81
Premiums in course of collection (not over 90 days due).....	663,527.25
Accrued Interest.....	50,512.12
Other Admitted Assets.....	147,025.43
	\$10,621,784.07

#### Liabilities

Reserve for Claims and Claim Expenses.....	\$ 5,324,895.95
Reserve for Unearned Premiums.....	1,867,318.20
Reserve for Commissions, Taxes and Other Liabilities.....	406,629.02
Capital Stock.....	\$1,000,000.00
Surplus.....	2,022,940.90
Surplus to Policyholders.....	3,022,940.90
	\$10,621,784.07

Bonds are valued on amortized basis; stocks at June 30, 1935 market quotations. The value of bonds at June 30, 1935 market quotations exceeds the amortized value by the amount of \$84,321.05. If the bonds owned by North Star Insurance Company were valued at market quotations, the value of the Capital Stock of that Company owned by General Reinsurance Corporation would be \$8,814.80 more than is shown above. • Securities carried at \$779,999.96 in the above statement are deposited for purposes required by law.

## Insurance Counsel Hold Annual Meet

(CONTINUED FROM PAGE 25)

counsel and the field department of their companies. When the assured or beneficiary would take unfair advantage of the company, the counsel should make it plain to the courts and the people that all such cases are an attack not only on the insurer, but upon the vast body of the assured and their dependents."

Mr. Wayne thought the social security act portended a most serious change in the field of insurance and questioned whether perhaps exclusive federal insurance was not the real aim. He concluded, however, that comfort could be had in the thought that the only sound insurance against the vicissitudes of life is that which the individual citizen himself builds upon the guidance of prudent leaders whose judgment is not swayed like the weathercock by every changing wind of popular favor, whose responsibility cannot be dropped at the end of a political campaign, whose soul is not expressed in a party platform but in the decalogue of all time.

Joseph H. Collins of the general counsel's staff of the Metropolitan Life read the first paper of the meeting, which was entitled, "An Introduction to the Common Law of Life Insurance."

John A. Millener of Rochester, N. Y., reported as secretary-treasurer of the association. He stated that the present membership numbered 982, and that the cash balance was over \$8,900 as against \$6,100 last year. The report was approved and filed.

As editor of the "Insurance Counsel Journal," George W. Yancey of Birmingham, Ala., said he was glad to report that the expense of the journal has been held down to \$1,000 less than the limit set by the executive committee. He recommended that each year an index be made of all addresses previously contained in the journal and that assistant editors be appointed from the different sections of the country to report interesting cases and articles. Mr. Yancey's suggestions were referred to the executive committee and the thanks of the association extended for his work.

### Other Papers Read

"The Effect of the Presumption Against Suicide upon Burden of Proof in Life and Accident Cases," was discussed by Richard B. Montgomery, Jr., New Orleans, La.

The paper of Henry Swift Ives, special counsel Association of Casualty & Surety Executives, on "Guarding Insurance from Political Spoliation," was well received.

A paper on "Use of the declaratory judgment in determining the constitutionality of statutes and acts pursuant thereto," was read by Willis Smith Raleigh, N. C. He cited some of the problems affecting insurance companies which might be presented for determination under the declaratory judgment acts; discrimination between salaried and commissioned agents of insurance companies; limitations upon the amount of commissions which may be paid by resident agents to non-resident agents; counter signature of policies; requirement that agents be residents of the state and also have further intention of remaining a resident for at least 12 months; penalty for failure to settle claims within reasonable time; compulsory statutory policy provisions and attempted retroactive features in the statutes and questions of interpretation of statutory bonds and similar instruments.

The importance of lawyers becoming familiar with the tax problems was stressed by R. H. Jackson, assistant general counsel for the Bureau of Internal Revenue, in a talk on "Equity in Tax Administration." The country has too much law, and too many kinds of law, and too many sources for tax ad-

ministration to be simple, or the law clear. There are many questions which press for answer and experience, technical and training of the lawyer are necessary for their solution.

At the last session Attorney Robert L. Webb of Topeka, Kan., read his paper on "Liability of Insurance Company When it Takes Full Charge of Investigation and Defense." The last paper of the session was read by R. H. Jackson of Washington, D. C., assistant general counsel Bureau of Internal Revenue, on "Equity in Tax Administration."

### Michigan Casualty Experience

Total net premiums of \$31,602,277 were collected by casualty companies in Michigan last year, according to the official department report just published. This was divided: Accident and health \$5,676,107; auto liability \$5,180,725; liability other than auto \$1,365,575; compensation \$5,921,140; fidelity \$1,547,629; surety \$1,322,499; plate glass \$446,903; burglary \$1,106,452; steam boiler \$340,628; auto property damage and collision \$2,709,127, other property damage \$106,165 and miscellaneous \$5,879,327. Total net losses paid were \$15,658,727.

Assessment or cooperative life, accident and sick benefit associations received from members \$468,069 and paid claims amounting to \$199,144.

### Jottings From the Blue Goose Meeting in East

(CONTINUED FROM PAGE 15)

general chairman with Wielder Buchenberger as assistant general chairman.

\* \* \*

J. K. Shepherd of Little Rock reached his 49th birthday anniversary and was given a round of applause from the convention floor when the news was announced.

\* \* \*

Signifying international character of the order the platform was flanked by the Union Jack and the Stars and Stripes, while each of the business sessions opened with the singing of the two national anthems.

\* \* \*

It was hoped Governor Hoffman of New Jersey would be present and speak at the banquet but at the last moment he sent word he could not appear.

\* \* \*

The Blue Goose songs in use were arranged by Fred L. Brown, supervisor of the New York City pond, and a song leader of note.

\* \* \*

While unfavorable weather for two days prevented carrying out the complete entertainment program for the ladies, the committee devised substitu-

tions, with bridge predominating. Mrs. M. C. W. Buchenberger was chairman of the ladies entertainment committee; Mrs. Wilfred Kurth serving as chairman of the committee of hostesses.

\* \* \*

T. G. Sellers, San Antonio, representing the Alamo pond, the most recent unit, revealed himself a humorist of first rank, his impromptu observations upon his fellow delegates creating gales of laughter.

\* \* \*

Clarence Axman, editor of the "Eastern Underwriter," and past most loyal gander of the New York City pond, was forced to take a bow, when his clever work on behalf of the order was recited by Mr. Mehrtner.

\* \* \*

The singing of Alouette by the Canadian contingent under the vigorous leadership of R. P. La Pierre of the Quebec pond, was a feature of the shore dinner, calls for its repetition being insistent.

\* \* \*

Souvenirs were distributed by the Home and by the Kentucky pond, that of the latter taking the form of a generous gift of a famous brand of whisky.

\* \* \*

Messages of sympathy were sent Wirt Leake of Dallas, past most loyal grand gander; J. D. Cherry and Mrs. Cherry of Montreal, and to George Berry of the New York City pond now recuperating in Florida, all of whom have been seriously ill.

\* \* \*

## Great Lakes Casualty Company

DETROIT — MICHIGAN

### CONDENSED FINANCIAL STATEMENT

June 30, 1935

#### ASSETS

	Percent of Total Assets
CASH (Immediately available in banks or on hand).....	\$65,988.11 7.2
BONDS (at actual Market Values June 30, 1935)	
U. S. Gov't.....	\$184,408.10 20.
Canadian Gov't .....	19,775.00 2.1
U. S. Municipals.....	21,390.00 2.3
Railroads .....	9,100.00 1.
Utilities .....	50,987.50 5.6
Industrials & Miscellaneous.....	63,425.00 6.9
TOTAL BONDS .....	\$349,085.60 37.9
STOCKS (at actual Market Values June 30, 1935)	
Utilities .....	\$34,572.75 3.8
Industrials .....	37,491.25 4.1
TOTAL STOCKS .....	\$72,064.00 7.9
REAL ESTATE (all income producing).....	16,108.45 1.7
MORTGAGE LOANS (78 first Liens on improved property) .....	264,840.97 28.7
PREMIUMS in course of collection (less than 90 days old) ..	133,564.23 14.5
OTHER ASSETS (accrued interest, etc.).....	19,487.05 2.1
	\$921,138.41 100.0%

#### LIABILITIES

RESERVE for Claims and Claim Expense.....	\$88,093.94
UNEARNED Premium Reserve.....	195,532.86
RESERVE for Commissions, Taxes, Bills, Accounts, Etc, .....	56,096.48
RESERVE for Contingencies.....	81,415.13
TOTAL LIABILITIES except Capital Stock.....	\$421,138.41
CAPITAL STOCK .....	\$300,000.00
SURPLUS .....	200,000.00
SURPLUS TO POLICY HOLDERS.....	500,000.00
	\$921,138.41

#### AUTOMOBILE

#### PLATE GLASS ALL FORMS PUBLIC LIABILITY

(Specializing in "Comprehensive All Risk")

#### BURGLARY

## FIDELITY AND SURETY NEWS

### Nebraska Test Being Planned

C. P. Peterson to Handle Attack on State Bonding Fund—Governor Counters With a Threat

The law firm of C. Petrus Peterson in Lincoln has been retained by a group of agents to bring a suit to attack the validity of the recently enacted monopolistic bonding law. Mr. Peterson said an injunction would probably be asked to restrain enforcement of the act.

The contest will probably not be started until an effort is made to enforce provisions of the act that public officials must cancel their present bonds and become bonded by the state within 60 days.

One of the contentions likely to be cited is that if a public official is bonded by the state, that is equivalent to the state giving a bond of the state, thus constituting a waiver of the bond. Another contention will be that the Nebraska constitution prohibits the state from giving or lending its credit in aid of an individual, association or corporation.

Commenting on the report that the validity of the state bonding bill is to be attacked by the filing of a suit, Governor Cochran said: "If the state bonding bill should be held unconstitutional I would be in favor of submitting a revised law to a vote of the people under the initiative provided in the constitution, and I would include in the proposition placing road contractors under the plan of the state bond bill. More than \$1,000,000 is annually paid out by contractors for bonds covering construction and the rate has been 1½ percent on such bonds."

State Treasurer Hall has notified the 14 companies that carry his surety bond that he wants it canceled. This opens the way for the filing of a test suit without further delay.

In conformity with the recent supreme court decision, State Treasurer Hall of Nebraska has now sent to the new National Surety \$5,000, which was due two years ago to the company as the premium for two years upon Hall's official bond. The legislature attached a rider to the appropriation requiring that the premium be turned over to the insurance director to be held subject to claims of creditors of the old National Surety.

### Put Engineers on Job

MILWAUKEE, Sept. 4.—The New Amsterdam Casualty, which bonded the Greiling Construction Company, of Green Bay, Wis., for half of the amount of the contract for the construction of Gray's Reef lighthouse in Lake Michigan, has placed engineers on the job to hasten the work. The marine contracting firm faces a penalty of \$111 a day beginning Aug. 22 for failure to complete the construction of the \$212,000 lighthouse. Officials of the 12th lighthouse district said they will insist on payment of the penalty. More than \$10,000 may be penalized on the contract before the structure is finished, officials said.

### Agency Withdraws Claim

HASTINGS, NEB., Sept. 4.—The Steele-Ellerbrock Insurance Agency, has withdrawn all claims against the city, thus paving the way for a suit against the city by the United States Fidelity & Guaranty for contested FERA compensation insurance premiums. The city has refused to pay claims for premiums totaling more than \$12,000 on grounds the premium was inequitable. Steele-Ellerbrock had laid claim to additional premiums totaling \$3,463.88 for coverage in 1934 which also had been rejected by the city.

### Bond Alabama Tax Collectors

Companies Take Action to Avert Well Advanced Plans for Creating State Fund

BIRMINGHAM, ALA., Sept. 4.—Concerted action has been taken by surety companies in an effort to forestall well advanced plans of the state of Alabama to go into the bonding business. Some 49 Alabama tax collectors who had been unable to obtain bond have now been bonded by companies doing business in the state, six have applications for such bonds pending with every indication they will be favorably acted upon, and seven more have made satisfactory bond with personal surety. Five have not yet made application so far as is known.

After tax collectors had trouble in the beginning obtaining bonds, Governor Bibb Graves had a bill introduced in the legislature setting aside \$100,000 from the state fire insurance fund for the purpose of writing surety bonds on state and county officials at 75 percent of the manual rate. This measure passed the house last week by a vote of 17 to 19 and is now before the senate.

Surety companies are hopeful that the state bonding bill will be withdrawn, now that sureties have been provided for most of the tax collectors. Their

## NEWS OF THE COMPANIES

### Sets Deadline for New Bids

After Rejecting Three Offers for National Surety, Authorities Ask for New Batch

Having decided not to accept any of the offers previously made for purchase of the stock of the new National Surety, Insurance Superintendent Pink of New York has now obtained a court order, setting Sept. 30 as the deadline for the submission of a new batch of bids and Oct. 1 for hearing upon the bids. Those who previously submitted offers are privileged to bid again. Offers must be accompanied by cash or certified check for 10 percent of the amount.

#### Opportune Time to Sell

A few weeks ago a bid was received for purchase of the stock and Mr. Pink then solicited other bids. Two others came in and the three were submitted to the state insurance board. That body recommended that additional time be allowed for offers and that none of the offers previously received be accepted.

The entire stock of the new National Surety is held for the benefit of creditors of the old National Surety.

"In view of the considerable interest which seems to exist at the present time in the purchase of this company it would seem to be an appropriate time to dispose of this stock," Mr. Pink stated.

### Reorganization Plan Approved

Stockholders of the American Casualty of Reading, Pa., voted at a special meeting to approve the new management plan, the preferred stock proposal plan and the plan to change the charter so as to write fidelity and surety lines. President H. H. Shomo announces that this places the American Casualty in a position to carry out a general expansion program. In accordance with the favorable action, the management contract will go into effect with the Keystone Operating Corporation and an issue of preferred stock will be sold. The plan is to issue 100,000 shares of 6 percent cumulative pre-

ferred stock of \$5 par value, at \$7.50 per share.

### Wants Tavern Bonds Changed

MILWAUKEE, Sept. 4.—Changes in the state law concerning the bonding and forfeiture of bonds of tavern keepers has been asked of the state legislature by Max Raskin, city attorney. As the law reads now, civil suits to collect on these bonds must be started in the name of the state and the judgment goes to the benefit of the state. Forfeitures are based on violation of various liquor and tavern laws and ordinances. Mr. Raskin wants the law changed so that municipalities can sue in their own name and collect for themselves. He also wants the differential between various types of bonds wiped out. Now a tavern keeper must file a cash bond of \$200, a surety bond of \$1,000 or a personal real estate bond of \$2,000. He said a bond for one amount, irrespective of the type, should be required.

### Resume Los Angeles Meetings

The Surety Underwriters Association of Southern California, Los Angeles, will resume its regular weekly meetings Sept. 11. Dick Graves is president.

ferred stock of \$5 par value, at \$7.50 per share.

The Keystone Operating Corporation is an instrumentality of the Excess Insurance Company of America. It is understood that practically the entire issue of new preferred stock is to be taken by the Keystone Operating Corporation. This means that the relationship between the American Casualty and Excess is to be very close. Recently all of the New Jersey business of the American Casualty was reinsured in the Excess, as well as some business in other states.

### Bay State Rate to Be Increased 3½%

(CONTINUED FROM PAGE 23)

this will be corrected in the new schedule.

The prevention of a general increase of from 10 to 12½ percent in the rates for the state, and as well the proposed material reductions for Boston and Revere, have been made possible, according to Commissioner DeCelles, by the elimination of the guest clause coverage, and second by forcing the insurance companies to cut the margin on profit and expense from ½ to 1½ percent.

The latter cut, says the commissioner, will not be made at the expense of the agents or brokers handling compulsory insurance.

#### "Big Business," DeCelles Says

"The administration of the compulsory insurance law is made more complex by the fact that today in Massachusetts it is big business," states Commissioner DeCelles. "By this I mean that there are 33,000 agents throughout the state who are more or less dependent for part of their income on the handling of this type of business. I can not tell the insurance companies to reduce their operating expenses without hurting to some degree the agents involved. Therefore, I forced a compromise whereby the companies would have to cut their profits this year and pare their expenses

accordingly without reducing the agents' commissions, in order to avoid a general increase."

Commissioner DeCelles declared that if the companies attempt to balk him by taking the proposed new rates to the supreme court, he will personally organize an initiative petition to place the whole matter of compulsory motor insurance on the ballot.

The commissioner, for the first time, will publish simultaneously with his new rates for 1936, the rates as recommended by the insurance companies with the guest rider coverage and minus the economies to be effected by the companies.

"The general public will then be able for the first time to see the obstacles facing my department and the administration in its promise to reduce compulsory automobile liability insurance costs," explained the commissioner.

"In Boston we have a classic example of the problem. The rate for 1935 for light cars was \$61. The companies recommended that the rate should be set at \$73 without the guest coverage. I shall set the rate at less than \$60."

"The companies wanted 20 zones. I may cut these to 10 or seven. The companies wanted a \$5 increase in the rate for light cars in 223 communities now enjoying the \$19 premium, the high rate not to include the guest coverage. My recommendation will be that the 1935 rate be unchanged."

"I expect to secure an additional \$1,000,000 in premiums now lost to the companies by the false garaging of motor vehicles. By forcing owners to register their cars truthfully the premium income will be increased and a general lowering of rates should follow."

"I expect to go before the next legislature with a definite, carefully worked out program, submitting for consideration at least six ways by which rates can be cut still further."

The official promulgation of the new rates is expected to be made Thursday or Friday. Within ten days, under the statute, the commissioner must hold a public hearing on the 1936 schedule, before it may be considered as final.

### Changes at Stevens Point

R. T. Rylee, a young man who recently attracted much attention in literary circles when his book, "Deep, Dark River," was published, has been granted an indefinite leave of absence by the Hardware Mutual Casualty-Hardware Dealers Mutual Fire organization of Stevens Point, Wis. He was in the divisional sales department there in charge of editing the salesman's manual, supervising the sales department and preparing new sales procedure and promotional material. Mr. Rylee's book was selected by the Book of the Month Club, thus resulting in a block sales of 45,000 volumes.

Mr. Rylee is being succeeded by R. A. Kox, who has been connected with the company since 1933 and has been an important factor in the Chicago branch office since its establishment in January of this year. Mr. Kox is succeeded at Chicago by J. D. Mainland, who has had the title of correspondent in the Stevens Point department. He has been with the organization since 1930.

Mr. Kox had three years engineering and underwriting experience with the Lansing B. Warner reciprocal organization in Chicago. After joining the Hardware Mutual Casualty he was located in Stevens Point about a year and a half before going to Chicago.

### Dalrymple Opens Agency

C. E. Dalrymple, western agency supervisor of the Preferred Accident with headquarters in Chicago, is establishing a local agency in the Wells building at Milwaukee and will leave the road. Mr. Dalrymple had charge of central western territory. He was formerly connected with the Central West Casualty. He is a former Travelers man.

## A DIRECTORY OF RESPONSIBLE

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**LYLE ADJUSTMENT CO., INC.**  
O. B. Lyle, Pres. & Mgr. A. C. Larsen, V.-P.  
Ellis Building and Branch Mgr.  
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Casualty and Surety—Inland Marine—Fire—All Risks  
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Handling all Liability and Automobile Lines, including  
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Special Assignments on Life, Accident and Health  
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INSURANCE ADJUSTMENTS  
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Prompt and Efficient Service Since 1921

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Woodward Building, Washington, D. C.  
Mutual Building, Richmond, Va.  
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Prompt and Efficient Service Since 1921

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Phone: Daily 0664  
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935 Ins. Exch. Bldg.  
Phone: Harrison 8668



# ANNOUNCEMENT

EVERY two weeks for the next several months we will set forth in this space the advantages of and arguments for advertising in The National Underwriter. We intend to do this in a manner that we hope will be regarded as both sensible and convincing. We will naturally present the case from our own standpoint, but that does not mean that we will attempt to do anything more than to set down the established facts.

Insurance is one of the most important businesses in the United States. In both magnitude and influence, it greatly overshadows many other industries and businesses that the public erroneously believes to be larger and more important.

Because of its great size and the numerous ways in which it affects the daily lives of so many people, insurance should have an intelligent and efficient trade press. It has. The leading insurance papers will stand comparison with the trade press of any other important business.

Make the test yourself. Think of any business for which you have respect, and then look over the trade papers serving it. You will

discover that The National Underwriter is doing at least as good a job as the leading trade paper in any other field, and in most cases a very much better and more thorough job.

It is unfortunately true that other businesses are more inclined to recognize and acknowledge the necessity and value of their trade press than the insurance business seems to be. Perhaps this may be the fault of the insurance papers themselves, which may not in the past have presented their case in quite the right light.

However that may be, we will aim during the series of advertisements which will follow this one to create in the minds of insurance company officials a greater appreciation of the insurance trade press as a whole and of The National Underwriter in particular. The dictionary states that to appreciate means "to set a true value upon". All we hope for The National Underwriter is that company officials will set a true value upon it as an intelligent and discriminating organ of the insurance business, and as a logical medium in which to advertise.

## The National Underwriter

*The leading weekly insurance newspaper*

E. J. WOHLGEMUTH  
*President*



C. M. CARTWRIGHT  
*Managing Editor*



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*and its affiliated companies write practically every form of insurance, except life*

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Capital \$12,000,000

Surplus to Policy Holders, over \$61,000,000